

Commonwealth Research Commercialization Fund (CRCF) FY2019 Solicitation



FREQUENTLY ASKED QUESTIONS *for CRCF FY2019 Solicitation Preview*

Q-1. What is the Commonwealth Research Commercialization Fund (CRCF)?

A. The CRCF is a state fund designed to drive economic growth in Virginia through investments in the development and commercialization of targeted, high-potential technologies. The Center for Innovative Technology (CIT) administers the CRCF.

Q-2. Where can I find information on the FY2019 solicitation and its programs?

A. Until the RFP is released in early October, high-level information can be found via www.cit.org/initiatives/crcf/fy2019/preview/. When the RFP is issued, information will be available from www.cit.org/initiatives/crcf/.

Q-3. What can I do if I still have questions?

A. The CRCF team will begin addressing specific questions via crcf@cit.org once the RFP is announced in early October. At that time, additional resources will be available, such as webinars, complete FAQs, regional briefings, and more.

Q-4. What is the total amount of available CRCF funds?

A. Approximately \$2.4M is available to award in FY2019.

Q-5. Will there be subsequent year funding?

A. The Administration and General Assembly determine appropriations to CRCF. The Commonwealth's FY2020 budget includes a \$2.8M appropriation for the Fund. CIT updates its website with the latest information on funding opportunities. Add yourself to the CRCF listserv for future announcements by visiting: <https://goo.gl/forms/WpJlI62SOZNNVhTL2>.

There are no guarantees of future funding, which is why your support is important. If you value this activity and if it is important to economic growth in your area, then we encourage you to talk with your legislator(s) about the importance of state investments in research and commercialization.

Q-6. What is the CRCF win rate?

A. Since its inception in 2011, the CRCF program overall has awarded approximately 34% of applications received.

Q-7. Is the CRCF award a grant, contract, or loan?

A. All awards are grants.

Q-8. Can you give me a quick snapshot of the CRCF FY2019 programs?

A. See table below for high-level criteria for the five CRCF programs offered in the FY2019 solicitation. Three programs are available to the private sector: Commercialization, SBIR Matching Funds, and STTR Matching Funds, and two programs are available to higher education, federal research facilities, university research consortia, and other nonprofit research organizations: Matching Funds and Eminent Researcher Recruitment. Refer to the

forthcoming Guidelines for each program for complete information. Each project may be submitted under only one program.

The category for “Maximum Number of Applications per Organization” refers to the number of LOIs, and subsequently the number of applications, any one organization may submit.

Program	Eligible Applicants/Key Criteria	Maximum # of Applications per Organization	Maximum Request Amount per Project
<p>PRIVATE SECTOR PROGRAMS Organizations may submit a single (1) LOI/application during this solicitation under the Commercialization, SBIR Matching Funds, or STTR Matching Funds Programs</p>			
Commercialization	<ul style="list-style-type: none"> • For-profit technology companies with Virginia as the principal place of business for the firm and its senior executives • May have received no more than 2 prior CRCF awards • May have received up to \$5M in combined outside private investment and cumulative sales revenue since January 1, 2014 • May have received no more than 8 SBIR and/or STTR awards, combined • 1:1 match required 		
SBIR/STTR Matching Funds	<ul style="list-style-type: none"> • Virginia-based technology businesses that: <ul style="list-style-type: none"> ○ Have received an SBIR or STTR Phase I or II award from a federal agency: <ul style="list-style-type: none"> ▪ Phase I applicants may have received no more than 5 SBIR and/or STTR awards ▪ Phase II applicants may have received no more than 8 SBIR and/or STTR awards ▪ PoP of matching federal award began January 1, 2017 or later ○ OR submitted and are awaiting an award decision or plan to submit an SBIR or STTR application for a federal deadline on or before January 31, 2019 • May have received no more than 2 prior CRCF awards • SBIR or STTR awards already tied to a CRCF-supported project are not eligible 	1	\$50,000

	<ul style="list-style-type: none"> • Must employ fewer than 12 full-time employees • Have at least 51% of its employees reside in Virginia • Have at least 51% of its property located in Virginia 		
PROGRAMS FOR: HIGHER EDUCATION, UNIVERSITY RESEARCH CONSORTIA, FEDERAL RESEARCH FACILITIES, AND OTHER NONPROFIT RESEARCH INSTITUTIONS Included in this total are submissions made by any of the organizations' research centers, schools, departments, institutes, and/or other entities.			
Matching Funds	<ul style="list-style-type: none"> • Virginia public or private institution of higher education or its associated IP foundation • Federal research facility in Virginia • University research consortium that includes Virginia college and university member institutions • Other nonprofit research institution in Virginia • 1:1 match required 	4	\$100,000
Eminent Researcher Recruitment	<ul style="list-style-type: none"> • Virginia public institution of higher education or its associated IP foundation • Must involve a private sector partner • 1:1 match required, with 50% from private sector partner 	1	\$250,000

Q-9. What is the timeline for the solicitation?

A. CIT plans to release the FY2019 RFP in early October. Letters of Intent (LOIs) will be due for the private sector on Thursday, November 8 and for applicants to the Matching Funds and Eminent Researcher Recruitment Programs on Tuesday, November 27. Likewise, applications will be due for the private sector on Tuesday, January 15 and for applicants to the Matching Funds and Eminent Researcher Recruitment Programs on Thursday, January 31. All submissions are required by noon on the due date. Award announcements are anticipated for early June 2019.

Q-10. How many awards will there be, and what can we expect as an average award amount?

A. The number and average value of awards is not predetermined.

Q-11. What are the eligible industries projects may focus on this round?

A. For all programs offered during the FY2019 solicitation, projects must align with one or more of the following industry sectors. Where noted, work must also align with the indicated subsector.

- **Cyber Security**, with particular interest in applications for autonomous systems, identity management, cloud infrastructure, and Internet of Things
- **Energy, specifically** clean energy

- **Information Technology**, specifically data analytics
- **Life Sciences**, with particular interest in precision medicine, neuroscience, and medtech
- **Unmanned Systems**

Projects/work proposed in any of the industry sectors must be directly related to that sector and, where applicable, the subsector.

Q-12. Do the applicant and the Principal Investigator (PI) have to be located and perform work in Virginia? What about the Authorized Representative (AR)?

- A. The goal of CRCF is to advance science- and technology-based research, development, and commercialization to drive economic growth in the Commonwealth of Virginia. Therefore, the applicant and PI must be located in and perform all or most of the proposed work in Virginia. Applicants without substantial operations of their own in Virginia, both personnel and property, will not be accepted. Cases where an AR is located outside of Virginia, but other criteria are met, may be acceptable on a case-by-case basis.

Q-13. Are there any restrictions on submissions by organizations or Principal Investigators (PIs) who have previously received a CRCF award?

- A. A PI who has received an award may apply for funding to continue the work or undertake a new project. However, under the Commercialization, SBIR Matching Funds, and STTR Matching Funds Programs, organizations that have received two (2) prior CRCF awards are not eligible to apply for FY2019 funding.

Q-14. What are matching funds? Are these “matching funds” different from the Matching Funds and SBIR and STTR Matching Funds Programs?

- A. Matching funds are monies that will be supplied in an amount of at least one-to-one to match the application and award amount. Matching funds may come from the applicant organization, its partners, or other funding sources. They may be cash or in-kind and provided via one or more sources dedicated to the project. Matching funds must be specific to and concurrent with the CRCF project. While three of our programs include “matching funds” in the program name, in fact matching funds are a required component of all CRCF programs; the federal SBIR or STTR award serves as the match for the SBIR and STTR Matching Funds Programs.

Q-15. What qualifies as matching funds?

- A.** Matching funds may be cash and/or in-kind donations. Examples of possible sources for matching funds follow.
- Salaries of the Principal Investigator, graduate students, and/or other staff working on the project
 - Travel directly associated with the project and tied to its success
 - Materials/supplies for the project
 - Time on equipment for work directly tied to the project
 - Waived indirect costs associated with the project, such as G&A and overhead
 - Federal, foundation, private, or other non-CoV monies specific to the project that will be spent during the CRCF project's period of performance; CIT GAP Funds investment(s) are not eligible as matching funds
 - Private investment, including angel, venture or other private sources

Discounts on equipment, supplies, and/or other project-related discounts are not eligible as the match.

Q-16. Are LLCs eligible to apply under the private sector programs?

- A.** Yes. Companies structured as LLCs are eligible to apply under the private sector programs provided they meet the other eligibility criteria.

Q-17. I have not yet formed a company, but I plan to. Is there a required date of establishment for private sector applicants?

- A.** To be eligible for the Commercialization, SBIR Matching Funds, or STTR Matchings Funds Programs, you must have incorporated the company by November 8, 2018, the private sector Letter of Intent deadline. A valid Tax ID number is required in the LOI.

Q-18. What is meant by "technology company"?

- A.** Technology companies are for-profit companies that are developing technology solutions or developing and deploying solutions in an eligible industry sector.

Q-19. Are grants included in the cap on cumulative sales revenue?

- A.** The cap of \$5 million is for cumulative revenue from sales of products and/or services since January 1, 2014 and any private investment received since that time. It does not include, for example, contracts and grants for research or technology development.

Q-20. What is meant by "SBIR" and "STTR"?

- A.** "SBIR" refers to the Small Business Research Innovation Research program and "STTR" refers to the Small Business Technology Transfer program, both authorized under [15 U.S.C. §638](#).

Q-21. I don't yet know the outcome of my federal SBIR or STTR application. Can I apply for a CRCF SBIR or STTR Matching Funds award under this solicitation?

A. Yes. CRCF applications may be submitted if your organization is awaiting decision on a federal SBIR or STTR Phase I or II application submitted for a federal deadline on or before January 31, 2019.

Q-22. I have submitted or will submit an SBIR or STTR Phase I or II proposal that would push me over the cap for the number of federal awards received, but I don't yet know the outcome of my federal proposal. Am I still eligible to apply to CRCF?

A. Yes. The caps refer to the number of SBIR and/or STTR awards under contract as of November 8, 2018, the private sector LOI deadline.

Q-23. Can my SBIR or STTR award come from any federal agency?

A. Yes. The SBIR and STTR Matching Funds Programs are not restricted by federal agency.

Q-24. What are acceptable uses of CRCF funds and can these monies be used to support activities my federal award will not?

A. SBIR and STTR Matching Funds awards advance the work supported by the federal award, may fill the gap between Phase submissions, and/or assist with commercialization activities not supported by the federal award. Technology development is expected to be the focus of CRCF projects and costs should reflect this. Other uses of CRCF monies may include market validation, IP protection, and/or additional efforts that drive commercialization, company growth and economic benefits to Virginia.

Q-25. I have 11 full-time employees and 10 part-time employees. Are my P/T employees a factor in my eligibility? What about contractors?

A. Eligibility criteria place a cap only on the number of full-time employees only, at the time of Letter of Intent submission (November 8, 2018). Contractors, consultants, or an organization's "contingent workforce" – personnel that may become employees as the company grows – do not count against that cap.

Q-26. Does the Principal Investigator (PI) for the CRCF project have to be the same individual as the PI for the federal project?

A. No. The PIs do not have to be the same for the federal and CRCF projects.

Q-27. Can CRCF funds, if awarded under the Matching Funds Program, be used to fulfill a matching requirement for federal/private proposals under development?

A. Yes. CRCF awards made under the Matching Funds Program can fulfill a matching requirement for federal or private proposals for which awards have been made but matching funds have not yet been secured, or for proposals currently under development, with submission by March 31, 2019.

Q-28. Must the researcher being recruited under the Eminent Researcher Recruitment Program permanently relocate to Virginia, or can s/he visit temporarily?

A. The purpose of the Eminent Researcher Recruitment Program is to attract and retain a new researcher/faculty member. As such, the recruitment of this scholar is intended as a permanent relocation to Virginia.