

# Commonwealth Research Commercialization Fund FY2020 Solicitation

## Frequently Asked Questions

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## General CRCF Information

**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 FY2020 solicitation and its programs?**

A. Complete information on the FY2020 solicitation can be found at [www.cit.org/initiatives/crcf/fy2020/](http://www.cit.org/initiatives/crcf/fy2020/).

**Q-3. What is the total amount of available CRCF funds?**

A. Approximately \$2.5 million is available to award in FY2020.

**Q-4. Can you highlight what's new this round?**

A. The primary changes applicants will see in FY2020 is the approach to the Letter of Intent (LOI) – see Q-29 for a snapshot of what will be expected in the LOI this year – and the increased award caps for the Matching Funds Program and three private sector programs. Also, more information is provided regarding eligible industry sectors (see Q-12) and the stages of work invited under the Commercialization Program (see Q-9).

**Q-5. Is information available about future solicitations?**

A. At this time, information is not available regarding future rounds. CIT updates its website with the latest information on funding opportunities. Add yourself to the CRCF listserv for future announcements by visiting: [bit.ly/CRCFlistserv](http://bit.ly/CRCFlistserv).

**Q-6. What can I do if I still have questions?**

A. In addition to this FAQs document, regional briefings, webinars, topic-specific videos, and sample materials will be available to aid applicants. Visit [www.cit.org/initiatives/crcf/fy2020/resources/](http://www.cit.org/initiatives/crcf/fy2020/resources/) to access these resources and register for briefings. Some resources may not yet be available, but are forthcoming. If you still have questions, please contact [crcf@cit.org](mailto:crcf@cit.org).

**Q-7. What is the CRCF win rate?**

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

**Q-8. How much money will be available in the Fund after awards are announced?**

A. CRCF is a competitive program and we anticipate fully expending all available CRCF funds for high-potential projects. CRCF funds are comprised of the appropriation, as well as unexpended, declined, and repaid funds.

**Q-9. Can you give me a quick snapshot of the CRCF FY2020 programs?**

**A.** See the table below for high-level criteria for the five CRCF programs offered in FY2020.

Commercialization of high-potential technologies or services is common to all programs. 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 individual Program Guidelines for complete information. Each project may be submitted under only one program.

Program	Eligible Applicants/Key Criteria	Maximum # of LOIs / Applications per Organization	Maximum Request Amount per Project
<b>PRIVATE SECTOR PROGRAMS</b> Technology companies in Virginia may submit one application under the Commercialization, SBIR Matching Funds, or STTR Matching Funds Programs			
Commercialization Program	<ul style="list-style-type: none"> <li>• For-profit technology companies headquartered in and with an express desire to grow the business in VA</li> <li>• VA is the primary place of business also for the company’s senior executives</li> <li>• Received no more than 2 prior CRCF awards</li> <li>• Received up to \$5M in combined outside private investment and cumulative sales revenue since January 1, 2015</li> <li>• Received no more than 8 SBIR and/or STTR awards, combined</li> <li>• Work at the proof-of-concept, prototype, or MVP development stages</li> <li>• 1:1 match required</li> </ul>		
SBIR/STTR Matching Funds Programs	<ul style="list-style-type: none"> <li>• VA-based technology companies with an express desire to grow the business in VA and that:                             <ul style="list-style-type: none"> <li>○ Have received an SBIR or STTR Phase I or II award from a federal agency:                                     <ul style="list-style-type: none"> <li>▪ Phase I applicants may have received no more than 5 SBIR and/or STTR awards</li> <li>▪ Phase II applicants may have received no more than 8 SBIR and/or STTR awards</li> <li>▪ PoP of matching federal award began January 1, 2018 or later</li> </ul> </li> <li>○ <b>OR</b> submitted and are awaiting an award decision or plan to submit an SBIR or STTR application for a federal deadline on or before March 31, 2020</li> </ul> </li> <li>• SBIR or STTR awards already tied to a CRCF-supported project are not eligible</li> <li>• Received no more than 2 prior CRCF awards</li> <li>• Employ fewer than 12 full-time employees</li> <li>• At least 51% of its employees reside in VA</li> <li>• At least 51% of its property located in VA</li> </ul>	1	\$75,000

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 Program	<ul style="list-style-type: none"> <li>Virginia public or private institution of higher education or its associated IP foundation</li> <li>Federal research facility in Virginia</li> <li>University research consortium that includes Virginia college and university member institutions</li> <li>Other nonprofit research institution in Virginia that was established for and whose primary purpose is performing basic and/or applied research</li> <li>1:1 match required</li> </ul>	4 (1 per PI)	\$150,000
Eminent Researcher Recruitment Program	<ul style="list-style-type: none"> <li>Virginia public institution of higher education or its associated IP foundation</li> <li>Must involve a private sector partner</li> <li>1:1 match required, with 50% from private sector partner</li> </ul>	1	\$250,000

**Q-10. Is the CRCF award a grant, contract, or loan?**

**A.** All awards are grants.

**Q-11. 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, nor is the number or value of awards by industry, program, or any other criteria.

**Q-12. What are the eligible industries projects may focus on this round?**

**A.** For all programs offered during the FY2020 solicitation, projects/work proposed must be directly related one or more of the following industry sectors.

- **Clean energy:** includes solar, wind, geothermal, bioenergy, nuclear, clean coal, and energy efficiency technologies
- **Cybersecurity:** includes technologies designed to protect networks, devices, programs, and data from attack, damage, or unauthorized access
- **Data analytics:** technologies envisioned are specialized systems or software. Data analytics is the process of examining large data sets in order to draw conclusions about the information they contain, increasingly with the aid of specialized systems or software. The insights from data are used to recommend action or to guide decision-making rooted in business context.
- **Life sciences:** includes diagnostics, therapeutics, medical devices, health IT, and biotechnology
- **Unmanned systems:** unmanned or autonomous vehicles or systems for air, space, land, or maritime use. Eligible technologies include vehicles or other mobile solutions and their subsystems, components, and software, as well as the data derived from their use.

- Q-13. My project represents more than one technology sector. How shall I demonstrate this?**
- A. Applicants should indicate the primary industry sector with which the project aligns. The primary sector identified in the LOI will auto-populate into your application and cannot be changed. An applicant's proposal may indicate alignment with multiple industries.
- Q-14. Who conducts CRCF project work?**
- A. CRCF applicants/award recipients, including their contingent workforce, must conduct the majority of project work. A project may include one or more partners. The goal is to advance the product or service through work of the applicant/award recipient while allowing for external support. Up to 49% of CRCF funds requested may go to support consultants and/or subcontractors. For the purposes of CRCF, contingent workforce is defined as personnel that may become an employee of the applicant/award organization as the company grows.
- Q-15. Is it okay to use an out-of-state consultant or subcontractor for part of the work?**
- A. Yes, if there is no in-state alternative and it is well justified in the proposal. It is expected, however, that all or most work will be performed in the Commonwealth.
- Q-16. What do you mean by Authorized Representative (AR)?**
- A. The AR is an individual who is authorized to execute legal documents on behalf of the applicant organization. In the case of college/university submissions, the AR is an individual from the Office of Research, Office of Sponsored Programs, or similar office; the Principal Investigator is not permitted as the AR.
- Q-17. 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 organization and PI must be located in Virginia and must 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-18. 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 more than two (2) prior CRCF awards are not eligible to apply for FY2020 funding.
- Q-19. My project has a co-Principal Investigator. How do I reflect this?**
- A. Information for the lead investigator is required in the application form. However, in the proposal, applicants are asked to identify the team and partners and their efforts to support the CRCF project. Within your proposal, identify the co-PI and his/her role in the work.

**Q-20. What is an acceptable period of performance?**

- A. Typical periods of performance for CRCF projects follow, based on program. Other periods of performance – shorter or slightly longer – that reflect reasonable time to completion and align with the work to be accomplished and budget are acceptable.
- Commercialization: 6-12 months
  - SBIR/STTR Matching Funds: 6-12 months; the CRCF period of performance is not expected to mirror that of the SBIR or STTR Phase I or II award
  - Matching Funds: 12-18 months
  - Eminent Researcher Recruitment: 24 months

**Q-21. What CRCF proposal information is shared?**

- A. Information and materials submitted to CRCF will be shared with reviewers for the purpose of the evaluation process only; reviewers may not disclose or use proposal information for other purposes. Proprietary information included in an application must be clearly marked and included in the application's appendix. CIT will report general and aggregate information about applications and awards – including the number, types of organizations, technology sectors, and regional representation – and may include brief, non-proprietary information in reports, including in annual CRCF reports to the General Assembly and Administration. Proposals include an Executive Summary, which may be shared publically.

If an organization applies for financial support under a program managed by CIT, such as CRCF, the information provided may be reviewed by/for other programs managed by CIT, such as the GAP Funds. If an applicant chooses that its information not be available to or for other programs, it must indicate this in the Letter from the Authorized Representative when submitting the CRCF application.

**Q-22. Why would my application materials be reviewed by CIT staff other than those managing the CRCF?**

- A. Sharing of information among CIT's various funding programs ensures that organizations benefit from maximum exposure to CIT's funding vehicles and resources and that CIT derives maximum efficiency in program administration. For example, through interaction with the CRCF team, CIT's investment team may identify firms that are good candidates for yet not aware of CIT GAP Funds. The applicant's Letter from the Authorized Representative must indicate if the organization wishes to not have its information shared within CIT.

**Q-23. How are my CRCF materials protected?**

CIT protects the privacy of your applications and related materials during and after the solicitation, whether materials are in soft or hard copy. As noted in Q-24 and in Program Guidelines, however, proprietary information in a CRCF application is discouraged. If provided, it is to be marked and included only in the application's appendix.

Other than the Project Summary and the Executive Summary provided in the application and proposal, respectively, CIT considers the LOI, application, and any application materials confidential,

along with follow-on reports, correspondence, and other communications. If CIT wishes to make public a project profile and/or other project-specific information beyond the aforementioned sections, it is only disclosed following approval by the awardee/applicant. CIT is not subject to FOIA, and LOIs and the subsequent applications and materials submitted to CIT are among materials not subject to FOIA.

Non-disclosure agreements or similar agreements govern those who manage and review materials. The discussion of proposals by the RTIAC takes place in closed session, per Statute.

CIT is audited each year, by the Virginia Auditor of Public Accounts. This includes auditing CIT's policies and practices for electronic data. CIT staff are required to maintain confidentiality of proprietary, sensitive, and/or other information not in the public domain. CIT uses the same degree of care to prevent the unauthorized use or disclosure of information as it uses to protect its own proprietary information from unauthorized use or disclosure.

**Q-24. Will proprietary information be accepted, and what does CRCF consider proprietary?**

- A. Proprietary business- or research-related information is considered that which is produced or collected by the applicant in the conduct of or as a result of study or research on medical, rehabilitative, scientific, technical, or scholarly issues, when such information has not been publicly released, published, copyrighted, or patented, if the disclosure of such information would be harmful to the competitive position of the applicant. For more information, see the [2019 Virginia Freedom of Information Act \(FOIA\)](#). It is recommended that proprietary information not be included unless absolutely necessary for application evaluation. In this case, the proprietary information must be in the appendix (only) and clearly marked as "Proprietary".

**Q-25. How is intellectual property (IP) handled? Does CIT take ownership of IP?**

- A. IP arrangements are to be resolved between the applicant organization and any collaborator(s); CIT does not take ownership, nor provide a template IP agreement. If IP agreements are applicable because the project involves dual- or multi-party work and/or IP used in the project is being licensed, agreements must be in place before disbursement of funds and within 60 days of the award letter. Additionally, they must be durable enough to satisfy the requirements of commercialization and production as envisioned for the end product.

**Q-26. How do you define "prototype" and "MVP"?**

- A. Commercialization Program projects must align with one of three development stages: proof-of-concept, prototype development, or minimum viable product (MVP) development. See Q-26 for the definition of and examples of proof-of-concept work. Prototype is defined as an original model, form, or an instance that serves as a basis for other processes and is engineered to be tested. MVP is defined as developing a new product or service with sufficient features to attract early adopters and validate the product or service idea.

**Q-27. What do you mean by “proof-of-concept”?**

- A. “Proof-of-concept” is the demonstration of the functionality and viability of the theory or concept underlying a new product or service offering. Proof-of-concept shows that a product, feature, or service *can* be developed. Examples of the technical aspect follow.
- For software projects: running an algorithm against a representative data set in a representative operating (hardware) environment
  - For hardware/electronics: a functional device or component that demonstrates viability, with a defined path to hardware productization, such as miniaturization or re-implementation on a product-ready device
  - For life sciences: measuring the efficacy of a therapeutic in an appropriate in vivo model; for a device, constructing and testing a prototype in a well-controlled laboratory environment using in vivo or ex vivo models as appropriate; for diagnostics, measuring the efficacy of the diagnostic in an appropriate in vitro or in vivo model, as appropriate.

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## LOI and Application Processes and Content

**Q-28. I submitted to CRCF in the past and created an account/login for the application website. Will I be able to use this login information again?**

- A. Yes. If you have created a login during a previous solicitation, you will be able to use this same username and password to access the FY2020 Letter of Intent and application. If you have forgotten your password, use the “Forgot your password?” link at the bottom of the screen. Applicants new to CRCF must create a username and password, to be used in this and future solicitations, using the link on the login page.

**Q-29. What is new about the LOI?**

- A. The FY2020 LOI calls for additional information about your technology and such topics as the market opportunity, project, team, and anticipated economic outcomes for Virginia. The LOI is the first step in identifying projects that offer the most promise for the Commonwealth. LOIs will be reviewed to determine those invited to submit an application.

**Q-30. How will my LOI be evaluated?**

- A. Following the November 6 submission deadline, an LOI will be reviewed first for eligibility and subsequently to determine whether it’s a fit for the FY2020 CRCF program. Each LOI question (or bullet, in the case of the Eminent Researcher Recruitment Program LOI) will be scored between 5-1, from highly promising to poor or not a fit for CRCF. An LOI’s overall score will determine whether an application will be invited.
- 25-22: considered ‘highly promising’ and expected to be invited to submit a proposal
  - 21-18: considered ‘promising’ and may be invited to submit a proposal
  - 17-15: may be asked to strengthen one or more areas and submit in a future round



- 14 and below: may be asked to strengthen one or more areas and submit in a future round or will be advised that the technology or project is not a fit for CRCF

All applicants will be notified of their status in December. Those invited to submit an application will receive instructions; in January, those whose LOIs were not selected to go forward will receive feedback. LOI decisions are final.

**Q-31. Who is responsible for reviewing LOIs?**

- A. Each LOI will be reviewed first by CIT for general compliancy. Provided the LOI is eligible, it will advance to a review committee that includes the RTIAC and a pool of subject matter experts. This group is responsible for recommending which projects be invited to submit an application.

**Q-32. How do I submit my LOI?**

- A. LOIs are to be completed via the CRCF online portal. To access the portal, visit the program page on CIT's website under which you plan to seek funding and click on the "Apply Now" button at the bottom of the page. You will be asked to upload your LOI document into an online form, in Word format. LOIs must be submitted by November 6.

**Q-33. Is there a template for the LOI?**

- A. Yes, there is a template for the LOI and it can be downloaded from each of the program webpages. To access, navigate to [www.cit.org/initiatives/crcf/fy2020/](http://www.cit.org/initiatives/crcf/fy2020/), then click on the program name, and finally click on "CRCF FY2020 LOI Template" from the *Documents* box at the top right. The completed LOI may be a maximum of 2 ½ pages and the response to each question is not to exceed 1200 characters, including spaces. In addition to providing an answer for each section, applicants are also to indicate the organization name and PI's last name in the appropriate placeholders in the footer.

The LOI template for the Eminent Researcher Recruitment Program differs from the other four programs. It's accessible from the same place on the Eminent Researcher Recruitment program webpage. A completed LOI for this program may be a maximum of 2 pages; there are no character limits for the single question. Also indicate the organization name and PI's last name in the appropriate placeholders in the footer.

**Q-34. What are you looking for in the LOI when you ask me to describe the "market opportunity" for my technology?**

- A. Your discussion of the market opportunity should include the identified need, want, or demand for your technology because it is not being addressed by competitors.

**Q-35. When you ask me to describe the current state of the technology or service, would it be appropriate to indicate the technology readiness level (TRL)?**

- A. Absolutely. If this is a method that you're already using to describe the maturity of the technology, you are welcome to indicate this. However, use of TRLs for this description is not required, and may not apply to all CRCF applicants.

**Q-36. Can I update my Letter of Intent (LOI) or application once submitted?**

- A. Once submitted, online updates to LOIs or applications are no longer possible. However, if you realize that you have made an error, contact the CRCF team at [crcf@cit.org](mailto:crcf@cit.org) and identify the organization name and PI's last name associated with the submission and, if possible, provide the FY2020 CRCF reference number (i.e. CP20-999-CS) of the project and an explanation of the change that needs to be made. Applicants should pay particular attention at the LOI stage to fields that become part of the application and are not modifiable, in particular the project title and primary industry sector.

**Q-37. Are hard copies required? Will they be accepted in lieu of electronic files?**

- A. Hard copies will not be accepted.

**Q-38. Do I need to include background information in my proposal? How much background information is appropriate?**

- A. Background information can be included in the proposal, yet should be kept to a minimum. This information should be included only to the extent that it is critical to a solid understanding of the CRCF technology, project, and/or opportunity.

**Q-39. My project is a resubmission from a prior round. What do I need to include? What about follow-on projects?**

- A. Resubmitted applications – projects for which no prior CRCF funding was received – should include a brief discussion of work that has taken place since the prior submission and how the technology has advanced. Additionally, in cases where reviewers identified specific concerns or provided recommendations to strengthen the project, applicants must address these comments in the resubmission. Applicants are asked to indicate if their project is a resubmission in the online application and provide the CRCF reference number of the most recent non-funded proposal.

Follow-on applications – projects for which funding has been received and proposed work extends the reach and/or capabilities of the technology or organization – should include a brief discussion of the previously-funded work and how the technology has advanced. Applicants with follow-on projects should *not* indicate resubmission in their online application.

**Q-40. I understand that a goal of the CRCF program is to drive economic growth in the Commonwealth, and that in both my LOI and application I am asked to demonstrate the projected economic outcomes within and outside of Virginia, after the project ends. Can you elaborate on what you're seeking?**

- A. Economic outcomes may include company creation (such as a spin-out that licenses university technology), job creation, sales revenue, revenue/royalties from licensed intellectual property (IP), private investment, new or expanded facilities, attracting suppliers and/or other companies to Virginia or that add satellite office(s) in the Commonwealth as a result of the project, and more. Additionally, outcomes could include positioning Virginia as a leader in your field. CIT understands that CRCF projects are often early stage and that the estimated economic impacts might be one or more years in the future.

**Q-41. What are you looking for in an evaluation plan?**

- A. Each proposal must include an evaluation plan in the Strategic Plan section. The evaluation plan addresses whether the overall CRCF project is operating in alignment with the project's design and with the project's goals, milestones, and objectives. The evaluation plan should identify (1) indicators or other quantifiable/measurable metrics that define success for the project as a whole, (2) how project execution will be managed by the Principal Investigator and/or project team, and (3) criteria that defines long-term success for the project.

**Q-42. Can I develop my work plan after funds are awarded?**

- A. No. Applicants must include a fully developed work plan as part of their application. CRCF reviewers evaluate the work plan, along with the associated costs, personnel involved, and project timeline, among other criteria. Should parts of your work plan change by the time an award is made, CRCF will consider such project modifications on a case-by-case basis.

**Q-43. Can you elaborate on what you're looking for in a work plan? Will an outline or graphic timeline suffice?**

- A. CRCF applications should include a narrative work plan that thoroughly explains *how* the proposed project will be accomplished. This goes beyond an outline or table. Describe the activities that will take place to meet each project goal, identify the personnel responsible for the tasks, and call out project milestones. The strongest work plans are typically 2-3 pages. Examples of work plans are not available. Graphic timelines, while asked for in the proposal, do not take the place of the narrative work plan.

**Q-44. If I have multiple letters of support that would exceed the page limit for the appendix, is it okay to combine two letters of support into a single page?**

- A. Yes, you may combine the documents into a single page in order to stay within the page limit, as long as everything is legible.

**Q-45. Will you contact me for more information if there are questions about my application? Will I have an opportunity to provide updates?**

- A. No. CIT will not reach out to applicants for clarification or to request additional information. Submitted applications are expected to be in final form and include all information that the applicant wishes to provide.

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## Budget, Use of Funds, and (Project) Matching Funds

**Q-46. How is the budget and cost justification used?**

- A. Along with identifying the categories where CRCF funds are requested and matching funds are provided to execute the project, applicants also must describe how requested funds will be spent

and why/how the uses are important to advance the project. Similar to the narrative sections of the application, budget costs are closely reviewed. Project costs should reflect a focus on technology development work and contribute directly to the associated activities.

**Q-47. What are indirect costs? Can CRCF funds be used to pay for indirect costs?**

- A. Indirect costs are activities or services that benefit more than one project/costs incurred in joint usage (difficult to assign to or identify with a specific project). Common indirect cost groups are Overhead (OH) and General and Administrative (G&A). Rent, office supplies, and other expenses that are traditionally considered indirect costs will not be accepted as direct costs. Indirect costs may not be charged on equipment. While CRCF funds may be used to pay for indirect costs, program-specific caps exist. In all cases, stronger consideration will be given to applications that requests funds for direct costs only.

**Q-48. Can CRCF funds be used to cover equipment costs?**

- A. Yes. Though the focus of CRCF projects is on the technology development work, a limited portion of CRCF funds may be requested for equipment. If applicants include equipment purchase requests, they must demonstrate that the equipment is required to advance the product or technology for the proposed CRCF project and indicate why alternatives to procurement, such as leasing, are not viable. If the request is to purchase new equipment, indicate why used equipment is not a viable option. Indirect costs may not be charged on equipment.

Award recipients that purchase approved equipment with CRCF monies retain the title. CIT does not take title.

**Q-49. How do I determine whether a cost should be categorized as *Materials & Supplies* or *Equipment*?**

- A. *Materials & Supplies* are consumables, disposables, or other short-lifespan items, and generally are less expensive than equipment. *Equipment* has a useful life of more than one year.

**Q-50. How should I prepare the narrative associated with my *Labor* costs?**

- A. Your budget narrative is important to show reviewers how your CRCF request and match costs were reached for each category. Within *Labor*, your narrative should follow [# of hours] x [rate of pay] = total per person. If you prefer to base the rate of pay on a period other than hours, such as annually, monthly, or weekly – include the number of hours for that period.

**Q-51. What is meant by market validation and what types of activities/costs can be included in the budget as market validation?**

- A. Market validation helps you confirm your target market, if market feedback for your concept/technology is positive, and if there is sufficient willingness to purchase your product or service when it's ready. Examples of what falls under market validation include online or other market research, including acquiring and reviewing reports, conducting surveys and interviews, and performing competitive analyses; interviews or marketing or sales meetings; attending conferences to assess competition and/or meet clients or potential clients; and/or developing a marketing plan. Up to 10% of the total CRCF request can support market validation for the Commercialization, SBIR

Matching Funds, and STTR Matching Funds Programs and up to 5% of the total CRCF request can support these activities for the Matching Funds Program.

**Q-52. Can I use CRCF funds or matching funds to support proposal writing activities?**

**A.** No. Neither CRCF funds nor committed matching funds may be used to support proposal writing activities, such as for federal or other submissions.

**Q-53. What are acceptable uses of CRCF funds under the SBIR and STTR Matching Funds Programs 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. 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-54. 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-55. For a multi-year project, do matching funds need to mirror the annual amount requested from CRCF, or can the match be for the total only?**

**A.** Matching funds must mirror the annual amount and the total amount.

**Q-56. When do matching funds need to be available?**

**A.** Matching funds must be available and spent during the CRCF project’s period of performance. They must be identified in the proposal and cannot be secured after an award is made.

**Q-57. Although they are not directly involved with the CRCF project, there are instrumental persons involved in the development of my technology and/or organization. Is there a way I should capture their time?**

**A.** Yes! You may be engaging with an individual, such as an advisor, to ensure the success of your technology and/or organization. Though CRCF funds are not requested for this person, their time may be monetized and reflected in matching funds beyond the minimum one-to-one match (the one-to-one match must be fulfilled by funds specific to the project).

**Q-58. What qualifies as matching funds?**

A. Matching funds may be cash and in-kind donations in direct support of the proposed project.

Examples of possible sources for matching funds follow.

- Salaries (paid or waived) 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-Commonwealth of Virginia 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 investments – angel or other

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

**Q-59. What does not qualify as matching funds?**

A. Matching funds must come from non-Commonwealth of Virginia sources; monies from prior CRCF awards, other Commonwealth of Virginia funding programs, such as the GAP Funds, the Virginia Biosciences Health Research Corporation (VBHRC, the Catalyst), the Commonwealth Health Research Board (CHRB), the Virginia Research Investment Fund (VRF), or other state contracts or grants may not be used as matching funds. The salary of a university researcher and associated indirect costs, however, even if considered state monies, may be used as a match. Funds expended prior to or after the CRCF period of performance do not qualify as matching funds.

**Q-60. Is Tobacco Commission funding an appropriate source of matching funds? Is it considered non-Commonwealth funding?**

A. Monies from the Virginia Tobacco Region Revitalization Commission are appropriate sources of matching funds and are considered non-Commonwealth of Virginia funding.

**Q-61. Can you clarify whether the award cap is the cap on CRCF funds only or CRCF funds and matching funds, combined?**

A. The maximum request amount/award cap relates only to CRCF funds; it does not include matching funds. For example, if you are applying under the Matching Funds Program and requesting the maximum amount, \$150,000, you must provide matching funds in an amount of at least \$150,000. Therefore, your CRCF project would be a \$300,000 project.

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## Program-Specific Questions

- Q-62. Are LLCs eligible to apply under the private sector programs?**
- A. Yes. Companies structured as LLCs are eligible to apply under the Commercialization and SBIR/STTR Matching Funds Programs provided they meet the other eligibility criteria.
- Q-63. 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 Matching Funds Programs, you must have incorporated the company by November 6, 2019, the Letter of Intent deadline. A valid tax ID number (EIN) is required on the LOI.
- Q-64. Do I have to incorporate my company in Virginia to be eligible?**
- A. No. Your company may be incorporated or registered in any state provided it meets the other eligibility criteria.
- Q-65. How is private sector eligibility criteria developed?**
- A. With the goal of catalyzing job, revenue, and company creation and growth in the Commonwealth through technology commercialization, the CRCF targets high-growth opportunities. CRCF's private sector programs offer support to companies whose high-potential technologies are at an early stage, where funding is often crucial to positioning the technology for large-scale private and/or public funding.
- Q-66. What is meant by "technology company"?**
- A. CRCF defines "technology company" as a for-profit company that is developing or developing and deploying a technology product or service in an eligible industry sector.
- Q-67. If my project has been recommended for a CRCF award in the past, but I've had to decline, does the declined award count against the total number of prior CRCF awards?**
- A. No, a declined award does not count toward the cap on the number of prior CRCF awards in place for the Commercialization and SBIR and STTR Matching Funds Programs. This cap is specific to projects where CRCF funding was accepted and project work was performed. A company may have received two, but not more than two, prior CRCF awards to be eligible.
- Q-68. Are grants included in the cap on cumulative sales revenue under the Commercialization Program?**
- A. The cap of \$5 million is for cumulative revenue from sales of products and/or services since January 1, 2015 and any private investment received since that time. It does not include, for example, contracts and grants for research or technology development.
- Q-69. 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-70. I have submitted or will submit an SBIR or STTR Phase I or II proposal that, if awarded, would push me over the cap for the number of federal awards received. 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 the LOI deadline.
- Q-71. 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. Additionally, there are no restrictions on federal topics. However, the SBIR or STTR award must directly align with an eligible FY2020 industry sector.
- Q-72. 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. Contractors, consultants, interns, or an organization's "contingent workforce" – personnel that may become employees as the company grows – do not count against that cap.
- Q-73. 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 March 31, 2020.
- Q-74. If my federal award is less than \$75,000, the maximum award amount under the SBIR and STTR Matching Funds Programs, can I still request \$75,000 from CRCF?**
- A. No. An applicant may request an amount equal to or less than the federal award, though not to exceed \$75,000. A minimum one-to-one match is required of all CRCF programs; the federal award fulfills this requirement under the SBIR and STTR Matching Funds Programs.
- Q-75. Are matching funds required for the SBIR or STTR Matching Funds Programs? Do I need to complete the matching funds section of the budget?**
- A. Your SBIR or STTR Phase I or II award is considered the match for this program. Applicants are not required to provide other matching funds; if you do not provide additional matching funds, do not complete the matching funds section of the budget. If you choose to contribute additional funds, this should be reflected in the budget: identify the amount by budget category and indicate the source(s), amount(s), and use(s) of the funds.
- There is a dedicated space to enter the amount of the federal award in the budget template for SBIR and STTR Matching Funds Programs. If the federal award decision is pending, enter the amount requested.
- Q-76. Does the Principal Investigator (PI) for the CRCF project have to be the same individual as the PI for the federal project, in the case of the SBIR and STTR Matching Funds Programs?**
- A. No. The PIs do not have to be the same for the federal and CRCF projects.



**Q-77. 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.

**Q-78. Can CRCF monies be used to cover relocation costs for the Eminent Researcher under the Eminent Researcher Recruitment Program?**

- A.** No, relocation costs, including moving expenses, are not acceptable under the Eminent Researcher Recruitment Program. The intent of CRCF funding is to support the researcher and his/her team at the applicant institution.

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