

FuzeHub Jeff Lawrence Innovation Fund Manufacturing Grant Guidelines

MAY 2019

GRANT APPLICATION PERIOD OPENS MAY 1, 2019 AND CLOSSES MAY 31, 2019 AT 4:00PM EST

Program Summary

The Jeff Lawrence Innovation Fund supports a set of activities designed to spur technology development and commercialization across New York State. The Fund launched in December 2016 and is named for Jeff Lawrence, a champion of the New York manufacturing and entrepreneurial communities. The Innovation Fund comprises three program tracks:

- Manufacturing Grants;
- Commercialization Competition; and
- Innovation Challenge.

The Innovation Fund provides a \$1M annual allocation of direct assistance to the manufacturing, research and development, technology and entrepreneurial ecosystems.

Manufacturing Grants Overview

The Manufacturing Grants are designed to encourage collaboration between not-for-profit organizations in New York State and companies that work within the manufacturing industry. The grants serve as a resource to help small to medium size manufacturing and technology companies achieve success from early-stage, proof of concept through maturity. The partnership created by the not-for-profit organization and the industry partner serves as a pathway to technology transfer, adoption and implementation of new manufacturing processes, as well as the creation of enhanced products and services.

Application

The application form, application questions, guidelines, FAQs, and budget template are available on the FuzeHub website at Application Page <https://fuzehub.com/manufacturing-grants/>. No application items will be accepted via email or postal mail. There is a \$75 fee for each submitted application.

Applicants must submit applications by May 31, 2019 at 4:00PM EST. The application system will shut down automatically at 4:00PM. Applicants are advised to allow sufficient time to upload application materials to the website. If an applicant is in the process of completing an application and the session times out, the application will not be processed.

1. Program Goals

To identify innovative projects that support the collaboration of not-for-profit organizations and New York state small and medium sized manufacturer (SME), or early stage company with a project relevant to the manufacturing sector that will lead to the creation of valuable economic impacts in our communities.



2. Available Funding

Up to \$350,000 will be available to eligible applicants for eligible projects. Individual grants will not exceed \$50,000. The number of awards made may vary by funding round depending on other uses of the Fund and the quality of applications received. FuzeHub maintains the right to award less than is being requested. All project funds must be expended within 12 months.

Applicant teams involving companies with 50 or more employees combined are required to contribute a match according to the sliding scale below, with at least 50% of the match in the form of cash equity. If an application includes multiple companies, the match requirement is based on the total number of employees of the combined companies.

Total employment at the establishments of all companies	Match Requirement
0–49 employees	No financial match required, but applicant must provide clear demonstration of resources leveraged in the project (e.g. staff time, equipment, etc.)
50–99 employees	0.25 to 1 match
100–249 employees	0.5 to 1 match
250–499 employees	1 to 1 match

3. Eligibility

A. Eligible Applicants

- New York State not-for-profit organizations.¹
 - Community Colleges are eligible to submit one application.
 - In the case of a university, up to three different centers or departments at a given university may apply.² University applicants must provide the subset of the university such as college, school or department in the application form.
- Applicants must partner with a New York State small or medium sized (SME) manufacturer or other early-stage company with a project relevant to the manufacturing sector. **For the purposes of this grant, SME is defined as a business with at least one physical establishment in New York State, and no more than 500 employees across the entire firm or enterprise worldwide.**

B. Eligibility Factors

- All team members, including the company benefiting from the project, must be located in New York State.³
- Applicants may only submit one application.

¹ As part of FuzeHub's mission, FuzeHub has contractual and other relationships with many for- and not-for-profit entities throughout the State. The entities with which FuzeHub may have relationships include, but are not limited to, the following: universities and their underlying departments and schools, and economic development entities and/or not-for-profits such as Manufacturing Extension Partnership centers, all of which are also eligible for the grants.

² In the case of the SUNY system, only three applications may come from a single campus.

³ In limited cases, FuzeHub will consider awarding projects with a non-New York State industry partner, if that company can demonstrate that they are in the process of moving production/jobs to New York State. Out-of-state companies and their not-for-profit applicant should discuss the project with FuzeHub prior to submitting an application in order to confirm eligibility. Companies may be required to submit additional supporting documentation outlining their plans in New York State.

- A not-for profit, or a specific department of a university, can only receive one Manufacturing Grant award per year.

C. Eligible Projects

Eligible projects will include those that are used by the applicant to assist companies with the following types of projects:

- Adoption of new technology to enhance a process and/or product
- Prototype development
- Design for manufacturing
- Proof-of-concept manufacturing
- Manufacturing scale-up
- Manufacturing-related equipment purchases ^{4 5}
- Other projects to advance manufacturing or manufacturing capabilities

Project timeline must not exceed 12 months.

The project must be clearly defined and ready to be undertaken. Applicants should be aware that any project costs that were incurred prior to the grant agreement date are ineligible for reimbursement.

D. Eligible Project Costs

Eligible costs are associated with approved projects as stated in Eligibility Section 3.B. Consultants and vendors should be located in New York State unless the applicant demonstrates that the products, services, or expertise being procured are not available in the state.

Eligible costs include:

- Equipment;
- Materials;
- Engineering/design;
- Travel (travel costs be clearly defined at the time of application and must include a justification narrative describing how the travel costs directly relate to the project);
- Personnel (e.g. salaries to the extent that personnel time is directly involved in the project; the project budget must include a justification narrative describing how the personnel costs directly relate to the project.);
- Other direct costs directly related to executing the defined project.

Ineligible costs include the following, but not limited to:

- Overhead;
- Administrative costs;

⁴ Manufacturing-related equipment purchases are eligible when a not-for-profit or industry partner has demonstrated: the need for such equipment and relevance to the proposed project; a utilization rate of fifty percent or more; an agreement on location; and a willingness to allow use by other New York State companies, as appropriate.

⁵ In general, equipment-related proposals will be viewed most competitively if equipment ownership is maintained by the not-for-profit applicant and the equipment benefits more than one company. However, proposals in which a manufacturer would own the equipment will also be considered, and FuzeHub will work with awardee teams to negotiate mutual agreement on this issue.

- Indirect costs (operational expenses that are not directly related to executing the project, for example: office rent, utilities, or non-project-specific personnel costs);
- Executive team salary where time is spent on regular administrative, executive tasks or general project oversight are ineligible expenses;
- Marketing and;
- Patent fees.

4. Application Requirements and Review

A. Required Documents

Applications must be submitted by 4:00PM EST, on May 31, 2019. A completed application must include the following:

- **Project Description – Upload a project description.** A detailed project description may not exceed two pages, including any graphics, and must be in a font of a legible size (12pt Times New Roman or Calibri font). Any pages in excess of the two-page limit will not be reviewed. This must be in PDF file format.
- **Upload a project budget. (Maximum FuzeHub grant award is \$50,000)**
The project budget worksheet provided by FuzeHub is the only acceptable format. The worksheet and any explanatory notes should not exceed two pages. Please include details and explanations sufficient for reviewers to determine reasonableness of the budget and use of funds. The budget should make clear how the applicant is satisfying the match requirements, including any required cash and in-kind portions. Applicants are advised to review the project’s costs indicated in the above Section 3.D. Eligible Project Costs, as well as in the Budget section of the Manufacturing Grant FAQs for May 2019. The budget must be in an .xls or .xlsx file format.
- **Letter(s) of commitment – Upload letter(s) of commitment from the company/companies benefiting from this project as a single PDF file.** *Any company listed in the “company info” section of the application must provide a letter of commitment.* Letters should affirm the need for and the anticipated benefits of the project, and the anticipated economic impact relevant to each company involved. If this letter is not provided, the application will be deemed incomplete and not be reviewed.
 - Please note: a letter from the not-for-profit applicant is not required. Although it is not required, applicants are permitted to submit supporting documentation related to equipment request proposals, including, but not limited to: third part cost estimates, quotes, and/or letters of support from companies that will benefit from equipment identified in the proposal. These documents can be combined with the letter of commitment PDF file.
- **Conflict of Interest Letter** (if applicable) - In cases where an applicant that is a university employs an individual who is also an employee of or has a financial stake in a company that is part of the applicant team, FuzeHub considers such applicants to be eligible, provided that the application includes a letter of support from the university official responsible for overseeing compliance with the institution’s conflict of interest policies. In these cases, the university administrator should submit a letter with the application affirming the university’s understanding of the employee’s private sector interests as they relate to the project, and affirm that the university

supports the project and deems it compliant with the institution's conflict of interest policies. Please upload a single PDF file that includes a conflict of interest letter that documents the university support of the project.

B. Criteria and Review Process

Eligible applications will be evaluated by a selection panel based on, but not limited to, the following criteria:

1. Degree to which the project is transformational, unique, and/or will lead to new or improved products or technologies relevant to the manufacturing sector (15 points)

Information provided must include: a description of how the project outcome will lead to improvements in a manufacturing process or product; a description of disruptive performance of a product or process for the company itself, or for the industry or industries as a whole that may be a result of the project and commercialization opportunity, an online technology that has broad application across multiple products or industries or may affect multiple markets or substantial populations of end users, completely new, break-through product, process or technology.

2. Expected impact on the company/companies involved in terms of new/retained sales, cost savings, new investment, and/or jobs (provide supporting information if available) (10 points)

To be taken into consideration: the number and type of new hires/positions created or retained; new sales; operational cost savings or time savings; quantifiable product or process performance improvement or enhancement; new customer base opportunity/opportunities; new markets; new industry production partnership or supplier relationship; new investment or funding opportunity from outside investors (supporting information should be described in terms of numbers and dollar value).

3. Project readiness, team qualifications, and team capacity (15 points)

To be taken into consideration: does the team have the skill, ability, capacity, credentials and availability to successfully execute on the project described; if there are gaps in the team describe how these gaps may be addressed to successfully complete the project; does the team have the ability to implement the project immediately if awarded; description of project team members and the role of each team/organizational participant.

4. Reasonableness of budget and use of funds⁶ (10 points)

To be taken into consideration: the use of funds and individual budget expenses are clearly itemized, described and transparent; the use of funds/budget expense items are clearly appropriate, relevant and necessary to accomplish the project goals as stated; the individual

⁶ Funding cannot be used for overhead or administrative costs, or for indirect costs (operational expenses that are not directly related to executing the project, for example: office rent, utilities, or non-project-specific personnel costs). Salaries are eligible expenses to the extent that personnel time is directly involved in the project; the project budget must include a justification narrative describing how the costs directly relate to the project.

budget expense items are reasonable, justifiable amounts and generally in-line with the expected cost of a particular given budget expense item.

The selection panel is comprised of individuals from the academic, entrepreneurial, innovation, venture capital, and economic development ecosystem across New York State. All panelists have agreed to written non-disclosure provisions with respect to the submissions. FuzeHub may ask applicants for additional information or clarification, or to present to the panel, as needed. In some cases, FuzeHub may discuss an application with an expert in the relevant technology field.

No awards will be made to applicants with final scores of less than 35.

In anticipation of a high volume of applications, FuzeHub will not commit to providing debriefs to unsuccessful candidates.

5. Grant Agreement Requirements

All applicants will be notified as to whether or not their project was selected for funding. If approved, the awardee will be required to enter into a grant agreement with FuzeHub. The agreements will detail agreed-upon project scopes, milestones, match requirements, payment schedules, and commitments to participate in post-award project tracking and surveys.

A. Methods of Disbursement

Grant award funds will be disbursed based on an award-by-award basis and will include reimbursement payments for completed milestones. Payments will be made based on the approval of milestone reports that contain appropriate and sufficient documentation, including but not limited to: proof of payment/receipts and invoices for project work completed.

B. Reporting

As part of the grant award, the Grantee and their partner company will be asked to report on the level of satisfaction and project impact(s). The company/companies will be contacted by FuzeHub and/or an independent survey house up to three (3) times over the following three (3) years after the completion of the project to assess their satisfaction with the project and its business impact.

C. Availability of Funds

All grants are subject to the availability of funds from Empire State Development.

Contact Information

Questions should be sent to Julianne Clouthier at julianne@fuzehub.com.

FuzeHub Privacy Policy

- I. FuzeHub is a not-for-profit corporation under the laws of the State of New York. Other than as may be specifically stated herein or in any other FuzeHub documents, it is the position of FuzeHub that any materials and communications related to applications, the application process, or consideration or judging thereof is proprietary and confidential.



- II. To the extent disclosure of any FuzeHub materials is sought by process of law, FuzeHub has no obligation to notify affected parties, nor to defend against any such disclosure, but may so notify and/or defend to the extent FuzeHub in its sole discretion, deems practicable and advisable.
- III. Notwithstanding any other provisions hereof, FuzeHub has full rights to communicate regarding all funded projects on our website, social media pages, and in annual publications. FuzeHub reserves the right to include an award grantee's name and/or logo in any and all reports published in print or online. To the extent New York State entities that work with FuzeHub, including but not limited to Empire State Development, may have privacy or other policies regarding this subject, interested parties are referred to those policies.

Posted/Modified

April 30, 2019. Please check back to this site for updates and modifications to these guidelines.