



Jeff Lawrence Innovation Fund

MANUFACTURING GRANT GUIDELINES

March 2021 Grant Application Period

Opens March 1, 2021

Closes March 31, 2021 at 4:00 PM 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 was 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

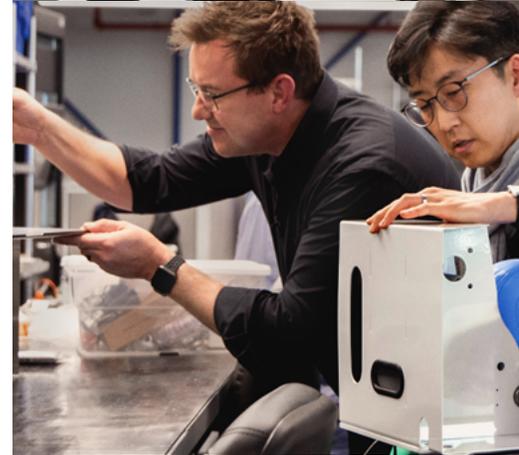
The Manufacturing Grants are designed to encourage collaboration between not-for-profit organizations and small to medium-sized manufacturing companies in New York State. The grants serve as a resource to help companies achieve success from early stage, proof of concept through maturity. The partnership 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.

PROGRAM GOALS

To identify innovative projects that support the collaboration of not-for-profit organizations and New York State small to medium-sized manufacturers that will lead to the creation of valuable economic impacts in our communities as well as the growth of New York’s manufacturing sector.

AVAILABLE FUNDING

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.



2021 APPLICATION

The application questions, guidelines, grant FAQ, and budget template are available on the FuzeHub website at <https://fuzehub.com/manufacturing-grants>. Applications are submitted online at SurveyMonkey Apply. No application items will be accepted via email or postal mail. If you require assistance with completing an application, please contact fund@fuzehub.com or 518-768-7030. There is a \$75 fee for each submitted application.

Applicants must submit applications by March 31, 2021 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. Eligibility

Applications must include both a not-for-profit organization and a minimum of one (1) New York State small to medium-sized manufacturer (partner).

A. Eligible Applicants

New York State not-for-profit organizations¹ that partner with a New York State small to medium-sized manufacturer.

A. Eligible Partner Manufacturers

Each small to medium-sized manufacturer (partner) identified in the application will need to evidence:

- The manufacturer has at least one physical establishment in New York State, and no more than 500 employees across the entire firm or enterprise worldwide;
- A current New York address; and,
- Registration with Dun & Bradstreet (D&B) and D&B account number. FuzeHub will verify this data. The D&B registration profile(s) must evidence an eligible North American Industry Classification System (NAICS) code – specific to manufacturing. If a manufacturer does not have an eligible NAICS code in their D&B profile, FuzeHub can work with them to initiate the process of obtaining one. Please be advised that only the following NAICS codes are acceptable:

- Manufacturing Sector - Any NAICS Code beginning with 3* (see http://www.census.gov/manufacturing/numerical_list/)
- 541714 Research and Development in Biotechnology
- 541715 Research and Development in the Physical, Engineering, and Life Sciences
- 423510 Metal Service Centers and Other Metal Merchant Wholesalers
- 488991 Packing and Crating
- 541330 Engineering Services
- 541380 Testing Laboratories
- 561910 Packaging and Labeling Services
- 811310 Commercial and Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance

C. Eligibility Factors

Applicants may only submit one application.

- 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 apply². University applicants must provide the subset of the university such as college, school or department in the application form.

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 (MEP) 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.

C. Eligibility Factors (cont.)

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

D. Matching Funds

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. The not-for-profit lead applicant is not considered in determining the number of employees.

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

Any member of the applicant team can contribute matching funds or resources for the grant application. The application should clearly indicate which organizations are contributing to the match. Equipment,

materials and supplies, and consultant and staff time, so long as they are project specific, are eligible to be counted for match. Applicants are advised to review the list of eligible/ineligible costs in the guidelines.

The cash equity requirement can be shown as any materials, supplies, equipment, etc. that are purchased for the project that were paid for in cash. These items can be demonstrated on the project budget worksheet by marking each row as either “in-kind” or as “cash,” with the corresponding organization that is responsible. Supporting documentation will be required with the grant reports for the items listed in the cash column. FuzeHub will require that documentation to support the matching funds be submitted with each request for payment.

E. 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^{3 4}
- 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. Grant funds cannot be used to initiate a project ahead of a fully executed grant agreement.

³: 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; an agreement on location; and a willingness to allow use by other New York State companies, as appropriate.

⁴: 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.

F. Eligible Project Costs

Eligible costs are associated with approved projects as stated in Eligibility Section 3.E. Eligible costs include:

- Equipment;
- Materials;
- Engineering/design;
- Travel (travel costs must 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, but are not limited to, the following:

- Overhead;
- Administrative costs;

- 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 salaries for the not-for-profit applicant, regardless of the type of work to be performed (i.e., executive director, president or other leadership roles);
- Executive salaries for any industry partner, regardless of the type of work to be performed. An industry partner is the New York State small to medium-sized (SME) manufacturer or other early-stage company identified in the “Company Information” section of the application;
- Marketing/Business Development and;
- Patent fees.

FuzeHub will monitor project costs throughout the project timeline. Applicants should be aware that FuzeHub will monitor project expenditures and applicants will be required to submit milestone-based project budget reconciliations. Budget modification requests are subject to a review and approval process.

2. Application Requirements & Review

Updated for 2021 Program Year. The application process will occur in two stages, **Stage 1- Preliminary Eligibility Review** and **Stage 2- Application Submission**. These stages occur in SurveyMonkey Apply.

In **Stage 1**, the not-for-profit applicant provides applicant name, applicant contact email, manufacturing partner name(s), manufacturing partner D&B DUNS number(s), and current manufacturing partner New York address(es). FuzeHub will research the manufacturing partner D&B profile(s) and either:

- Confirm preliminary eligibility and advance the applicant to Stage 2; or
- Provide feedback on what is needed to validate or correct information in the D&B profile(s). If needed, FuzeHub can advise manufacturers on how to correct information in their D&B profile.

- In order to proceed to Stage 2, the applicant must acknowledge that the D&B profile presented in the application requires correction.
- Applicants may advance to submit their application; however, D&B record changes will need to be completed and FuzeHub will monitor D&B record changes to assess eligibility.

In **Stage 2**, the not-for-profit applicant has access to all application questions and has the ability to upload required documents needed to submit a full manufacturing grant application.

Applications must be submitted by 4:00PM EST, on March 31, 2021. A completed application must include a:

- project description;
- project budget;
- letter(s) of commitment from the company/ companies benefiting from this project;
- Conflict of interest acknowledgement (University College applicants only); and,
- payment of application fee (\$75).

A. Required Documents

- **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.
- **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. Applicants are advised to review the project's costs indicated in the above Section 1.F. Eligible Project Costs.
 - Please include **detailed** costs 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;
 - Salaries that are expected to be reimbursed through FuzeHub funds must be presented in the budget. The project budget must include a justification narrative describing how the personnel costs directly relate to the project; e.g. salaries to the extent that personnel time is directly involved in the project;
 - Travel costs must be clearly defined at the time of application and must include a justification narrative describing how the travel costs directly relate to the project.

Applicants should look at the budget file in “print preview” mode to confirm that the notes are visible. The budget must be uploaded in an .xls or .xlsx file format.

- **Letter(s) of Commitment from the company/ companies benefiting from this project.** Any company listed in the “Company Information” section of the application must provide a letter of commitment. If this letter is not provided, the application will be deemed incomplete and not be reviewed. This must be in PDF file format. Commitment letters must:
 - affirm the need for and the anticipated benefits of the project; and
 - indicate approval of project description, scope of work and budget.
- **Conflict of Interest Acknowledgement (University/ College applicants only) –**
 - If no conflict of interest is present, the university/ college administrator should submit a letter acknowledging that there is no conflict of interest, and affirm that the university/college supports the project proposal. This must be in PDF file format.
 - In cases where an applicant that is a university/ college 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/college official responsible for overseeing compliance with the institution's conflict of interest policies. In these cases, the university/college administrator should submit a letter with the application affirming the institution's understanding of the employee's private sector interests as they relate to the project, and affirm that the university/college supports the project and deems it compliant with the institution's conflict of interest policies. This must be in PDF file format.

B. Optional Supporting Documentation

- **Relevant supporting documentation related to costs.**

Applicants are permitted to submit documentation to support project budget costs, including, but not limited to:

- third-party cost estimates; (PDF file format)
- quotes; (PDF file format) and,
- Letters of support from companies that will benefit from equipment identified in the proposal. (PDF file format)

C. 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 (5 points)**

The application should fully describe the transformative/disruptive/innovative potential of the project or project outcome compared to current industry options and existing commercialization potential.

Examples of projects include, but are not limited to: improvements in a current manufacturing process or product; a completely new, break-through product, process or technology for the small to medium-sized manufacturer; equipment that will be used by a single manufacturer or multiple manufacturers.

2. **Expected impact on the company/companies involved in terms of relevant factors such as new/retained sales, cost savings, new investment, and/or jobs (5 points)**

The applicant should provide compelling information to outline expected impacts including, but not limited to: 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; shared equipment proposals; and/or the number and type of new hires/positions created or retained. single manufacturer or multiple manufacturers.

3. **Project readiness, team qualifications, and team capacity (5 points)**

The applicant should identify all project team members that will execute project activities and clearly define the roles of each team member. Additionally, the applicant should address the skill, ability, capacity, credentials and availability of these team members. If there are gaps in the team, describe how these gaps may be addressed to successfully complete the project. The application should provide details to evidence whether the team has the ability to implement the project immediately if awarded.

For current awardees, delinquent grant reporting is taken into consideration when evaluating application proposals.

4. **Reasonableness of budget and use of funds⁵ (5 points)**

The application material, as well as the project budget worksheet, should demonstrate that the proposed use of funds and individual budget expenses are relevant and necessary to accomplish the project goals as stated, and that the budget expenses are reasonable, justifiable amounts and generally in-line with the expected cost of a particular given budget expense item. It is recommended that for large equipment purchases, the applicant provide third-party cost estimates.

If consultants and vendors are not located in New York State, it is recommended that the applicant explain why the products, services, or expertise are being procured out of state.

Applicants must provide an explanation for any out-of-state team member costs that are proposed to be reimbursed with FuzeHub funding.

5: 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). Non-executive 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.

5. Alignment with the FuzeHub Manufacturing Grant mission to encourage collaboration between not-for-profit organizations in New York State and small to medium-sized manufacturing companies (5 points)

Applications should present clear documentation to evidence the project deliverable(s) that will result from the collaboration within the FuzeHub project. Application materials should fully explain how the project will impact the manufacturing industry as well as how the not-for-profit applicant and the industry partner(s) will benefit from FuzeHub manufacturing grant funding.

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.

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

3. Grant Agreement Requirements

All applicants will be notified as to whether or not their project was selected for funding. If awarded, the applicant 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 milestones that contain appropriate and sufficient documentation, including but not limited to: proof of payment/receipts, documentation to support salary costs, and invoices for project work completed.

B. Reporting

FuzeHub will require a progress report and an end-of-project report in order to confirm that project progress is consistent with the budget and scope of work. As part of the grant award, the grantee and their partner company/companies 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, Division of Science, Technology & Innovation (NYSTAR).

Contact Information

Questions should be sent to the Innovation Fund program at fund@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 March 1, 2021. Please check back to this site for updates and modifications to these guidelines.