

# Frequently Asked Questions

*FAQs are intended to clarify the ETF Program at the time each question is submitted. FAQs are subject to change without notification depending upon modifications to the ETF Program and ETF Program Guidelines. Applicants are urged to read the ETF Program Guidelines, which supersede FAQs.*

## Eligibility

*Q: Will the Emerging Technologies Fund provide matching awards to any federal awards?*

A: No, the Emerging Technologies Fund only provides matching awards to SBIR or STTR federal awards. Other federal R&D programs such as Cooperative Research and Development Agreements (CRADA), Broad Agency Announcements (BAA), National Institute of Standards and Technology Advanced Technology Program (NIST ATP) are not eligible to be matched through the Emerging Technologies Fund.

*Q: Are companies located outside of Michigan eligible for ETF awards?*

A: Companies located outside of Michigan are eligible to apply for ETF awards but the company must establish Michigan as its principal place of business prior to the disbursement of funds.

*Q: Are there any limitations to who can apply for the awards?*

A: Yes, there are. Only companies in the innovation research and development areas that support projects in one of Michigan's four competitive-edge technology areas may apply. In addition, companies which have received more than two SBIR/STTR phase II awards are not eligible to apply.

*Q: For how long are the Michigan ETF awards available?*

A: The Michigan EFT will continue matching federal STIR/STTR awards until all funds are exhausted.

*Q: Are there any requirements for the companies applying?*

A: Companies must leverage a third party match to be eligible for ETF awards.

*Q: If I have already been awarded an SBIR/STTR grant or contract, am I eligible for an ETF award towards the same project?*

A: No. Companies must apply to the ETF prior to their SBIR/STTR proposal submission deadline.

*Q: Will the Emerging Technologies Fund provide awards to match any of the federal agencies SBIR/STTR supplemental programs (including, but not limited to, Phase I Option, Phase II enhancement, Phase II PLUS, Commercialization Pilot Program (CPP), Technical Assistance Programs (TAP), Commercialization Assistance Program (CAP), Niche Assessment Program (NAP), Manufacturing Assistance Program (MAP), Cost Match Feature, and Phases IB, IIA, IIB, IIR, REU/RET/RAHSS, and IICC)?*

A: No, the ETF awards will only match the base Phase I and Phase II programs for each agency.

*Q: Is the per company limit of six ETF awards retroactive?*

A: Yes. It is retroactive to the program's inception in 2008.

## **ETF Matching Awards**

*Q: How much of the federal SBIR/STTR grants will the Michigan ETF match?*

A: The Michigan ETF will match 25% of phase I SBIR/STTR awards up to \$25,000, and 25% of phase II SBIR/STTR awards up to \$125,000.

*Q: Can the funds be used for anything?*

A: No. The Michigan ETF award dollars must be used to help bring Michigan projects to commercialization. Examples of allowable expenditures include legal costs directly related to intellectual property protection of the SBIR/STTR technology; commercialization costs (i.e., marketing, business planning, advertising, sales); purchase of equipment; or fundraising costs (i.e., venture funds or grant preparation.) See the ETF Guidelines for more information.

*Q: Can the ETF funds be used for research and development?*

A: The purpose of ETF award funding is to help take R&D projects funded through federal SBIR/STTR programs to commercialization. A company that plans to spend ETF award funds on R&D must justify in their use of funds report that the specific R&D is a crucial to take the project to commercialization.

*Q: Can the ETF funds be used to pay for a "green" card?*

A: No.

*Q: I'm confused by how the ETF awards that match Phase II SBIR/STTR awards are structured. Will you please explain?*

A: The ETF matching awards for SBIR/STTR Phase II recipients will be distributed as follows:

- a) A Company may request a single award as long as it receives and deposits eligible Third Party Funding within twelve (12) months of the SBIR/STTR Contract Date. For example, a Company may receive a single award payment of \$125,000 as long as it raises and deposits eligible Third Party Funding of \$125,000 within twelve (12) months of the SBIR/STTR Contract Date.
- b) A Company may request two award payments. A first award payment of \$40,000 may be distributed as long as the Company raises and deposits eligible Third Party Funding of \$5,000 within twelve (12) months of the SBIR/STTR Contract Date. A second award payment may be requested as long as the Company receives and deposits the remaining 1:1 match in eligible Third Party Funding within twelve (12) months of the SBIR/STTR Contract Date. For example, a Company may request a first award payment of \$40,000 and a second award payment of \$85,000 as long as it raises total Third Party Funding of \$125,000 within twelve (12) months of the SBIR/STTR Contract Date. No partial or incremental ETF award payments will be disbursed.
- c) Disbursement of a second award payment is subject to available ETF Funds and eligibility rules. No ETF Funds will be set aside to accommodate Company requests for a second award payment.
- d) A Company that is unable to raise full Third Party Funding within twelve (12) months of the SBIR/STTR Contract Date will not be obligated to return the initial \$40,000 award payment.

## **Third Party Commercialization Funding Requirements**

*Q: Is it required to raise one to one third party to ETF award match for a phase I SBIR/STTR?*

A: No, third party commercialization funding is required to receive an ETF award for a phase I SBIR/STTR, but one to one match is not required.

*Q: Do in kind resources or services count as third party commercialization funding?*

A: No, the third party commercialization funding must come in the form of cash upon receipt of the ETF award.

*Q: Can the third party match be a loan?*

A: Yes, but the loan must not be collateralized by the federal grant nor the ETF funds. The loan cannot be repaid by proceeds from the federal grant or ETF funds. See the ETF Guidelines for more information.

*Q: Can a development contract with a strategic partner or customer count as third party match?*

A; Yes, but only if the strategic partner or customer provides cash (as opposed to in kind services) to the ETF applicant and if the purpose of the development contract is to advance the work done under the original SBIR/STTR grant or contract. See the ETF Guidelines for more information.

### **Important Dates/Deadlines**

*Q: What is the deadline to apply to receive an ETF Commitment Letter?*

A: To receive an ETF Commitment Letter, the Company must request the Letter no later than 10 business days before the federal submission deadline.

*Q: Does my SBIR/STTR proposal need to be complete before applying for an ETF award?*

A: No, your proposal does not need to be complete in order to apply.

*Q: Does my third party match need to be committed prior to my ETF application?*

A: No. Third party match does not need to be committed prior to applying to the ETF; however, it must be received and deposited in to a U.S. bank account prior to receiving an ETF award.

*Q: Where can I find a list of federal SBIR/STTR solicitation dates*

A: <http://www.sbir.gov/solicitations/>