

## **Virginia Catalyst Grant Funding Guidelines**

### **Overview and Objectives**

The Virginia Catalyst conducts formalized, competitive Grant Funding Rounds with awards ranging from \$200,000 to \$800,000 per proposal, for funding activities / Milestone achievements over a 12-18 month timeframe, with an objective of:

- encouraging collaborative partnerships between two or more Virginia research university investigators and an industry partner to accelerate commercialization of inventions and discoveries,
- funding the development and commercialization of projects that address major unmet needs for improving human health in all areas of the life sciences
- increasing Virginia's national and global competitiveness in the life sciences by creating critical mass through collaborations between and among Virginia's research universities, health systems, and industry partners,
- attracting follow-on funding from other sources, creating jobs and economic growth in Virginia

The eligibility requirements for funding through the Virginia Catalyst Grant Rounds are:

- The proposal addresses a large, unmet need for improving human health.
- The proposed solution is a product or service to be commercialized.
- The team involves significant collaboration between investigators from at least two Virginia research universities and an industry partner.
- The proposal would result in increased revenues and job creation in Virginia.
- The proposal would result in profitability (cashflow positive) and/or a plan to secure follow-on funding for next stages of development and commercialization.
- There is a minimum of 1:1 matching funds for this proposal.
- The matching funds are a cash, dollar-for-dollar match; not in-kind services or waiver of indirect overhead charges.

### **Project Management and Oversight Panel**

The Virginia Catalyst Project Management and Oversight Panel (PMOP) is an independent, volunteer review team comprised of experienced scientists, venture capitalists and CEOs of Virginia-based life science companies. This team provides expert reviews and scoring of the Virginia Catalyst Grant Rounds: (a) Letters of Intent, (b) applications, and (c) proposal presentations.

### **Letter of Intent Submission**

Letters of Intent (LOI) are accepted upon the official of the opening of a Grant Round until the stated deadline for submission. The LOI template is available on our website.

### **Letter of Intent Review**

LOIs are reviewed by the Project Management and Oversight Panel (PMOP). Those projects that meet Grant Round Funding Criteria are invited to submit a full application.

### **Application Submission**

Applications are accepted by invitation only, based upon results from the LOI review, and using the Virginia Catalyst application template, which is available on our website.

### **Application Review**

Applications are reviewed and scored by the PMOP according to criteria established by the Board of Directors. The scorecard, available for download from our website, groups the criteria into eight (8) categories, each with specific components. Based upon application scoring, and subsequent ranking of the applications received for that Grant Round, the top-ranked eight (8) teams will be invited to present their proposal in person to the PMOP.

### **Formal Proposal Presentations**

Formal proposal presentations to the PMOP include using the Virginia Catalyst proposal presentation template to describe: the market need, product or service (the solution), strength of the product development plan, commercialization, team collaboration, intellectual property, management and leadership, and economic impact. The PMOP will score and rank all formal in-person proposal presentations, independent of application review results. The PMOP will submit recommendations for funding to the Virginia Catalyst Board of Directors.

### **Grant Round Funding Decision**

The Virginia Catalyst Board of Directors reviews funding recommendations submitted by the PMOP and makes the final decision for Grant Round funding.

### **Notification of Grant Round Funding Decision**

All teams who were invited to present to the PMOP will be notified of whether or not their proposal has been approved for Grant Round funding. Teams that have been approved for Grant Round Funding will receive an award notification along with details for next steps including templates to develop project milestones and budget.

### **Publicizing Grant Round Funding Awards**

Awarded teams and associated institutions and partners who have received notification of Grant Funding decisions are instructed to delay publicizing until the Virginia Catalyst has released its Grant Round Funding formal press release. This press release is a collaborative announcement between Virginia Catalyst and those teams awarded funding. Included in this press release are brief descriptions of the awarded proposals, the amount of award, and quotes from teams.

## **Notification to Office of Sponsored Programs**

It is the responsibility of each Principal Investigator at both the Prime University and Partner University(ies) to notify the appropriate university office of sponsored programs (or similar) that the proposal has been selected to receive funding by the Virginia Catalyst.

## **Matching Funds**

The Virginia Catalyst Grant Funding Program requires matching funds of at least 1:1 in order to be awarded funding. Matching funds must be hard-dollar matches. Neither in-kind services nor the waiver of overhead funds can contribute towards the matching funds requirement. The requirement for matching funds may be met through grants from sources such as federal and state governments, as well as foundations, as long as the dollars are not yet spent and the granting authority allows their funds to be counted as a match. Equity capital may also be used as matching funds.

## **Verification of Matching Funds**

It is the responsibility of the Industry Partner to provide documentation in support of matching funds. The Virginia Catalyst has the sole responsibility to verify matching funds. Documentation in support of matching funds will be reviewed by Virginia Catalyst's accounting firm, RealTime Accounting Solutions, and the CEO of Virginia Catalyst. Matching funds documentation must be approved before funds can be released for the project.

The documentation criteria may be met by one or a combination of the following:

- A current accrual basis balance sheet that shows the company's assets, liabilities and equity. The match will be considered supported if current assets, less current liabilities, exceeds the pledge of matching funds
- A grant award from a third party (NIH, STTR, SBIR) where the project to be funded is specified as an allowable grant expenditure
- Evidence of a commitment of funding from angel investors, venture capital, or other private equity or corporate sponsorship

We require that the Industry Partner CEO / CFO sign off on the documentation indicating that the information provided is true and correct to the best of their knowledge.

## **Preliminary Milestones and Budget**

Awarded teams will receive a template to develop their project's preliminary Milestones and budget. The Milestones and budget must be approved by the Virginia Catalyst and are included in the full Grant Agreement.

## **Grant Agreement**

Once the Milestones and budget are approved by the Virginia Catalyst, the full Grant Agreement will be circulated to all parties for signatures. Once all parties have signed the Grant Agreement, the Virginia Catalyst will send out the fully executed master Grant

Agreement to all parties. For all projects Milestone 1 is the accomplishment of a fully executed Grant Agreement. Once accomplished, the first invoice should be electronically submitted by the Prime University to the Virginia Catalyst, using the invoice template.

### **Subaward Agreements**

The Office of Sponsored Programs (or similar) at the Prime University is responsible for establishing subaward agreements with the Partner University and Industry Partner, based on the Milestones and budget in the master Grant Agreement.

### **Invoicing and Disbursement of Funds**

It is the responsibility of the Industry Partner to confirm with the Principal Investigators at both the Prime University and Partner Universit(ies) that a Milestone has been completed. Once a Milestone has been verified as complete, the Industry Partner notifies the Prime University to invoice the Virginia Catalyst for that milestone payment. It is the responsibility of the Prime University to submit an electronic invoice, using the invoice template, to the Virginia Catalyst.

Funds will be disbursed by Virginia Catalyst to the Prime University according to verified completion of Milestone, in the amount stated in the master Grant Agreement. The Prime University will then make subsequent disbursements to the Partner University and Industry Partner, as stated in the master Grant Agreement.

### **Semi-Annual Reports**

The Industry Partner is responsible for submitting semi-annual progress reports during the project period, using the progress report template. Once the project is completed, the industry partner will submit a final report, and annual reports for up to 3 years after the project end date. These reports contain the following information:

- Progress on achieving the milestones by each recipient and/or its subcontractors;
- Publications and/or presentations related to the project
- Summary of any intellectual property created;
- Follow-on funding raised
- Jobs created
- Commercialization progress
- Any other information requested by Virginia Catalyst that is reasonably necessary to comply with Virginia Catalyst's policies and/or any applicable laws, rules, regulations or legislation specific to Virginia Catalyst

Semi-Annual report deadlines: February 15, August 15