

This document summarizes the questions and answers received during the Collaborative R&D Fund Information Sessions held from March 18, 2021-May 27<sup>th</sup>, 2021. This Q&A is applicable to applicants from any priority sector.

**Partnerships:**

- Are non-profit and for-profit partnerships allowed?
  - Yes, **the applicant has to be nonprofit**, but at least one industry partnership is desired and encouraged.
- Is there a preference for working with industry partners of a certain size?
  - Our first priority is job creation, not the size of the firms involved. However, all else being equal, Small and Medium-sized Enterprises (SMEs) are viewed favorably as partners and it is desirable to involve them in the research project. Participation from established firms can help validate a project, but start-ups with venture backing are another form of validation for the idea being proposed.
- Can the industry partner be a non-profit?
  - Possibly, however it cannot be another academic, research, or trade organization. The service must be directly related to the focus area being addressed. Hospitals are an example of an organization that may count as an industry partner despite being a non-profit.
- Is industry participation required?
  - Yes, industry must participate in the research project. However, they do not have to contribute financially to the project.
- Do all partners need to be in Massachusetts?
  - No, partners may be in other states if they bring critical elements to the proposal. Any equipment purchased and other capital investments made must be located in Massachusetts.
- How are Intellectual Property Rights Assigned among the Partners/MassTech:
  - MassTech makes no claim on IP resulting from an R&D fund grant and leaves it to the partners to work out among themselves how IP rights are distributed. Typically this will follow the policies of the lead institution. The only ownership that MassTech requires is of any deliverables that are specified in a mutually agreed upon Grant Agreement.
- Will MassTech assist in sourcing potential project partners?
  - Yes, please articulate this need when submitting a concept paper. We can work through our network to help find a partner(s). MassTech however cannot guarantee that we will be able to identify acceptable partners.

**Use of Funds:**

- What can funds be used for?
- Funds can be used for any capital asset-based investment, such as equipment, facilities, and in limited cases, the development of systems. Industry partners may spend their own money on

asset development as well. The asset must be owned by the applicant, who can be a university or other non-profit entity. Assets may be located on an industry partner's premises, but this would be reviewed on a case-by-case basis.

- Can funds be spent on personnel?
  - In limited circumstances, yes, if personnel costs (faculty, staff, or students) are directly related to the development of a capital asset, then they may be considered capitalizable expenses. Operating costs are not eligible. MassTech will review all proposals on a case-by-case basis.
- Can funds be spent on components?
  - Yes, if the capital asset being developed is a larger system with multiple subsystems and components, the components and subsystems may be considered capitalizable as well.
- Can funds be spent on facility improvements?
  - Yes, but they should not be most of the budget. The Innovation Institute is not looking for projects with an “if we build it, they will come” mindset. Industry partners should be lined up to use whatever facility is being proposed. Such expenses will be reviewed on a case-by-case basis in light of the entire proposal.
- Can funds be spent on rent?
  - Rent is typically an operating expense. To the extent the applicant provide a basis for rent to be considered a capital costs and applicant will treat it as such on its books,, such expenses will be reviewed on a case-by-case basis in light of the entire proposal.
- If the project is focused largely on workforce development can we provide matching funds to support training infrastructure?
  - Yes, as long as they are used for an infrastructure asset that has an R&D purpose.
- Can the some of the award go to an industry partner, or must it all be used by the applicant?
  - All of the award funds go to the applicant. The applicant can set up subcontracts with partners if needed.
- Would a new training program count as infrastructure if the applicant must develop and implement it?
  - Funds for any project must be used for asset based investments. The definition of what constitutes an asset varies, but would not include curriculum development. Bond funds are to be utilized for infrastructure that has a useful life of more than one year, thus the emphasis on hard assets such as equipment and facilities.
- Is there a minimum investment threshold for the requested asset?
  - No minimum investment is required for the solicitation. However, the proposed project does have to generate impacts that make it appropriate for the Innovation Institute to invest time to evaluate and present to the MassTech Board of Directors.
- Are indirect costs allowed?
  - Yes, indirect costs such as institutional overhead are allowed to the extent they are applied to the capital costs and in accordance with the applicants indirect costs policies, but their level will play a factor in the review process. Reduced overhead rates will be viewed favorably.

## Match Funds:

- Can industry funding also be considered match?
  - Yes, a company spending their own resources on the project is considered match funding. This includes cash and in-kind contributions.
- Does in-kind match such as faculty time and industry partner time count as match funding for this solicitation?
  - Yes, we consider this to be match funding.
- Is there a cut-off date for how far in advance of the proposal match funding can be received by the applicant?
  - There is no hard cut-off point. Match funds will be evaluated on a case by case basis. The expectation is that our investment will leverage new dollars, but they can be received prior to applying. Funds from other sources should be related to the proposed project and align with the research and economic development goals. Our funds should be used to support new activities.
- Can the applicant apply and be considered in advance of receiving a federal grant? What happens if the federal grant is not received?
  - Applicants may submit a proposal contingent upon the successful receipt of a federal award that the MassTech funds will build on. However, the MassTech funds would then be contingent upon winning the federal award and the applicant would need to find suitable replacement funding sources or reconsider their proposed project if the federal grant is not received.
- Can an applicant apply to the Collaborative R&D Fund after a federal award is received?
  - Yes, however we are not looking to supplement federal awards that may not cover the full cost of the project. The proposed project would need to be related to and enhance the federal award for us to consider it as match funding.
- If a partner gets a federal grant on the same topic and the applicant asks for equipment, does the federal grant to the partner count as match?
  - This will be evaluated under the specific circumstances of each case. However, if it is in service of an integrated project, we are willing to consider it.
- If you have a SBIR project to fund the development of technology with a small business, can the SBIR funds be used toward the match?
  - Yes, if you already have the SBIR award in-hand, for those funds to count as match you must approach us with a new proposal that adds to the original SBIR project. Money originating from the state government does not count as match in any circumstance.
- If another Massachusetts state agency is administering funds sourced from the private sector, could they be used as match?
  - State funds would not qualify as match, but industry funds administered by a state agency might qualify, depending upon how they were sourced. This would need to be closely examined on a case-by-case basis.

## Other:

- Are certain priority sectors viewed as more important than others?

- MassTech will consider any concept paper submitted. Priority sectors are viewed equally.
- Will additional federal stimulus money be used to support this program?
  - We are not in a position to speak to that at this time. However, leveraging our funds to attract additional federal R&D spending is viewed positively.
- What will MassTech do to raise awareness of the Collaborative R&D Fund among industry?
  - We have focused our initial outreach on potential non-profit applicants, as industry partners may not apply directly to the fund. However, we will leverage our connections with industry and other partners to raise awareness of the opportunity available.
- Will presentation slides be distributed?
  - Yes, we will share the slides.
- Can I ask questions one-on-one?
  - Yes, Joseph Downing, Senior Advisor at the Innovation Institute, is available to discuss program questions. You may contact him at [downing@masstech.org](mailto:downing@masstech.org). If relevant, questions and answers may be de-identified and this document will be updated to share generalized information with all potential applicants.
- Is there a limit to the number of submissions my institution can make?
  - No, institutions are allowed to submit as many concepts as they think viable. However, we will not make all awards to the same lead institution. Institutions may send in multiple ideas at the concept phase, which will be reviewed and given feedback as to which projects are most relevant to the R&D Fund. If applications address very different needs and end users, the Innovation Institute will consider making multiple awards to the same institution.
- How extensive does the description of economic impacts need to be?
  - We are not expecting applicants to commission extensive market research for proposals. Applicants should provide an estimation based on the information they have access to. The number and track record of project partners as well as their level of commitment to the project are important for evaluating potential economic benefits, as they signal that the resulting outcomes will make their way into industry.
- Will the Innovation Institute make an award in every focus area?
  - Our primary focus is on the economic growth potential of the proposed project. We will consider making multiple awards in the same focus area based on the number and potential of the projects submitted. However, we will not make all the awards in a single sector.
- What's the best way to get started?
  - We recommend sending a concept paper first so that guidance from the Innovation Institute can allow you to create the best possible proposal for your project.