

NON-CONFIDENTIAL COMMERCIAL DEVELOPMENT GRANTS (CDGs) GRANT PROPOSAL

Instructions

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CDG Instructions, Revised November 28, 2012

TTUS Office of Technology Commercialization

Overview:

The TTUS Commercial Development Grant Program, a three year \$1.0M grant program, was approved by Texas Tech University and the Texas Tech University Health Sciences Center in August 2010 and is designed to stimulate commercial development of research discoveries at each institution by providing grants for the commercial development and maturation of early stage technology into marketable intellectual property (IP), in particular to help bridge the gap between discovery and invention.

Governance:

The Commercial Development Grant Review Panel (Panel) will govern the program. The Panel will have final approval authority for all CDGs and will review and assess performance of the overall grant program annually. The Panel will include the Vice Chancellor for Technology Commercialization, TTU Vice President for Research, TTUHSC Vice President for Research, two additional representatives assigned by the Vice Chancellor for Technology Commercialization, and two faculty members as selected by each Vice President for Research.

In addition to serving on the Panel, senior management in the System Office of Technology Commercialization (OTC) will administer the CDG program as follows:

- a. Complete an assessment of each technology proposed for funding to include;
 - o A patentability review completed by in-house legal staff
 - o A technology science review completed by a subject matter expert
 - o A commercial market review focused on the opportunity for outside investment
- b. Coordinate CDG Panel assessments, including the receipt and distribution of proposals to the Panel including OTC assessments.
- c. Promptly notify applicants of Panel's decisions regarding proposals.
- d. Expedite documentation and the transfer of the grant funds.
- e. Monitor compliance with grant requirements and track CDG performance annually.

Goals:

University researchers may request up to \$50K per proposal to accelerate the commercial development of a technology created within the System and disclosed to the OTC. CDG program goals are to:

- a. Support a culture that promotes innovation, translation and commercialization of new ideas and technologies within the Texas Tech University System.
- b. Nurture viable technologies towards successful commercialization.
- c. Create a robust infrastructure that encourages invention from System research and supports commercialization efforts of faculty and students.

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Review Criteria and Proposal Checklist:

Successful proposals must be responsive to the goals stated above and meet the requirements listed below. Grants will be awarded on a competitive basis with an emphasis on commercial potential, subject to the Panel review process.

1. The stated purpose of the proposal must be “commercial development” and commercial milestones must be defined and a high level budget for the proposal must be provided.
2. Preference will be given to proposals for technologies with the potential to create a startup company.
3. Proposals that simply advance research of an idea will not be funded.
4. CDG proposals will be treated as “non-confidential” and should be submitted in the form of the CDG grant proposal provided with these instructions, and not to exceed eight (8) pages including background information and the three page proposal form. Business and community endorsements can be provided as additional support.
5. Expenditures of CDG funds must be for eligible costs as outlined below. A detailed line item budget is not required; however, applicants must estimate expenses and provide a brief budget justification in the proposal.
6. Commercial milestones must be provided and reflect measurable outcomes that can be achieved within a six month period.
7. The “brief synopsis” and “market applications” sections of the proposal (found on page 1 of the proposal) should be written in non-technical language and be understandable to a lay person.

Eligible Costs:

Requests will be considered for amounts up to \$50,000. Grants should be used to advance the commercial development of an invention or discovery. Funds may be used for the following:

- a. Direct costs of supplies, equipment, instrument use fees, and other necessary and allowable expenses required to demonstrate “proof of concept,” “reduction to practice,” or “prototype development.”
- b. As appropriate, personnel costs (undergraduate and graduate students, post doctoral fellows, technicians or other research staff) required to demonstrate “proof of concept,” “reduction to practice,” “prototype development,” or business plan development.
- c. As appropriate, business plan development costs (marketing survey, feasibility study).
- d. Indirect costs are not allowed.

Intellectual Property Ownership:

The Texas Tech University System will retain ownership of IP generated from Commercial Development grants in accordance with Regents Rules Section 10.

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Grant Award Process:

1. A faculty member or researcher must collaborate with the Office of Technology Commercialization and file an invention disclosure prior to or in conjunction with submitting a CDG proposal.
2. The faculty member must submit a non-confidential CDG proposal in PDF file format to the Office of Technology Commercialization prior to the proposal deadline.
3. The OTC will review and assess the patentability, scientific merit and commercial market potential for all applications received. These assessments will be included with the proposals forwarded for consideration by the CDG Review Panel.
4. Based on the number of proposals received, the OTC will screen all proposals and submit the best proposals to the CDG Review Panel for final review and approval. This review may include interviews with the applicant.
5. OTC Staff will communicate the decisions of the CDG Review Panel to applicants.
6. OTC Staff will execute a grant contract with the grantee and establish an appropriate financial account where the funds will be credited.
7. Upon receipt of the executed contract, account information, and other documentation as required, OTC will promptly authorize the transfer of approved grant funds to the researcher to be expended in compliance with the terms of the contract, following normal grant administration and compliance procedures.
8. All funding accounts will be closed with the expiration of the funding cycle or completion of the commercial milestones. The contract will end with OTC acceptance of the required financial and technical reports. Remaining funds over \$100.00 must be returned to OTC.

Application Materials:

- CDG Grant proposal form is available in PDF format on the OTC website at www.texastech.edu/otc. A complete proposal, maximum length of eight (8) pages must be submitted to the Office of Technology Commercialization, at otc@ttu.edu with authorized signatures, electronically in PDF file format.
- Documentation of business and community contacts may accompany this proposal and will not be counted against the eight page maximum length.

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Compliance, Reporting and Performance Assessment:

Grantees will notify the OTC of the completion of commercial milestones via email to otc@ttu.edu within 60 days of the completion of the milestones. Grantees are also required to provide a financial report accounting for the expenditure of appropriated funds.

The OTC will review and assess overall performance of the CDG program and its impact on overall technology development on an annual basis and issue a report that includes the following metrics:

1. Grants Awarded

- Technologies funded and total funds spent

2. Commercialization activities for Funded Technologies

- Business Licenses executed and startups formed from funded technologies
- Income generated from royalties, milestones, upfront payments, equity and other instruments from funded technologies.

3. External funding received for Funded Technologies

- Extramural research and other types of grant awards (e.g. SBIR, STTR)
- Angel and venture capital investments
- Texas Emerging Technology Fund (TETF) awards

Contact Information:

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