**ADVANCED INDUSTRIES ACCELERATOR PROGRAMS**

**GRANT APPLICATION GUIDELINES**

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This document provides information for completing the Advanced Industries (AI) Accelerator Programs - Grant Application. See the Program Overview document for high-level information on the program’s purpose, criteria, rules, grant review process and other information.

The AI Accelerator Program’s intent is to commercialize technologies in Colorado that are at a stage of development where market funds are not available.

Colorado’s Advanced industries are: Advanced Manufacturing, Aerospace, Bioscience, Electronics, Energy and Natural Resources, Infrastructure Engineering, and Technology and Information.

The AI Grant Program supports technology commercialization and industry development through the programs described in this document.

# Proof of Concept (POC) Grant Program

Grant funding is used to identify and pull technologies from research institutions where they were discovered and connect them to the private sector where they can be developed into commercialize-able products. These grants should provide significant economic impact or competitive advantage for Colorado and the advanced industries by accelerating the pace of applied research and leading to the rapid commercialization of products and services. Grants support the commercialization of technologies at research institutions at two distinct stages along the commercialization pathway: Pre-Commercial Research (Phase I) and Commercialization Preparation (Phase II).



## Project Scope

Projects accelerate product or service commercialization and are not to be used for basic research.

**Phase I and Phase II, POC Grants**

Phase I and Phase II awards are available exclusively to research institutions and are capped at $150,000 across both phases per grant.

### Phase I: Pre-Commercial Research

Pre-Commercial Research includes proof of principle studies and other studies on intellectual property and resulting prototypes that demonstrate the utility of a technology for a specific application. Funding during Phase I will be granted for the following categories of projects:

#### Proof of Principle

#### Intellectual Property (IP) Protection

#### Prototypes and Technical Validation

#### Phase I applications should be completed within 24 months for non-bioscience projects, and 36 months for bioscience projects, and in each case must include the applicable 1/3 match.

#### Upon the achievement of specified project milestones, Phase I awardees may request funding for Phase II via a Transition Request (as described below, this is a streamlined process, compared to a full application).

### Phase II: Commercialization Preparation

Phase II awards are capped at $25,000 (this amount is included in the overall $150,000 cap).

Commercialization preparation is the process of creating a commercial opportunity assessment for a technology and the development of a commercialization plan. In order to qualify, this must be done simultaneously with Phase I, or the applicants must present evidence of satisfactory completion of Phase I requirements (proof of principle, prototype and technical validation studies). Funding during Phase II may be used to fund the following:

#### Market Assessment

#### Start-Up and Corporate Formation Costs

#### Phase II Projects should be completed within 3 months, and must include the applicable 1/3 match.

## Funding

### Project Phase

Once an application is approved, applicants must execute a formal Grant Agreement with OEDIT prior to obligating or spending any grant funds. Project milestones and budgets will be defined in the Agreement.

Funding limits apply to project phases; these are listed above in the Project Scope description.

Unused funds must be returned to OEDIT and the Program Fund.

### Matching Funds

A POC grantee must have dedicated money from the associated research institution that is at least 1/3 of the requested grant amount. Dedicated money is cash in an account held by the grantee or formally committed by a third party investor or granting organization; funds are traceable and committed to the execution of the project work. Dedicated funds are necessary at the time of grant execution.

In-kind contributions do not satisfy matching requirements.

Matching funds cannot be OEDIT or other state funds, neither directly received, nor received through a third-party.

### POC Fund Allocations to CO Research Institutions

Some of Colorado’s public research institutions receive a pre-allocated amount of funding to support proof of concept projects within their institution. These funds are awarded by the institution’s technology transfer office using an internal review process. Please contact an OEDIT grant manager at oedit\_aigrantmanager@state.co.us for a list of currently participating research institutions.

### Grant Maximum

A project or technology with a particular application, associated with a Primary Investigator, may receive grant awards up to $150,000, maximum, unless the award cap is lifted as described herein. The maximum grant award applies to AI Grant Programs and the Bioscience Discovery Evaluation Grant (BDEG) programs combined.

### Use of Funds

The expenditure of both grant and matching funds must comply with an approved project budget. Once an applicant has been notified of an award, they may begin spending matching funds. Grant funds may not be spent until a Grant Agreement has been executed (received final signature by the State Controller or designee).

### POC Claw-Back Provision

The intent of the AI Grant Program is to license technologies to organizations that will actively pursue commercial development of the product or technology with the majority of operations in Colorado. Therefore, in the event that a technology supported by a Phase I or Phase II POC Program award is licensed to an organization NOT commercializing, developing, manufacturing or producing products or services based upon such licensed technology in Colorado, the research institution shall reimburse the AI Grant Program by payment of a sum equal to twenty percent (20%) of any gross licensing revenue resulting from such a license each year until the AI Grant Program is reimbursed for the full amount of the award. Such reimbursements shall be made to OEDIT and will be used to support future AI Grant Programs and activities.

### POC Grant caps may be lifted for projects as follows:

#### Joint Proposal

##### Two or more research institutions submit a joint proposal where the Research Institutions will share joint ownership of IP or patents, OR

##### Where commercialization activities will take place at more than one research institution and at least two of the joint applicants should receive a minimum of 25% of any program award.

#### A single research institution whose project impacts more than one advanced industry. Applicants self-identify the industry or industries that the project will impact, verified by OEDIT staff and relevant industry subcommittee leads. If Advanced Manufacturing, Electronics, or Information Technology (enabling industries) are among the identified industries, the application must directly address how the enabling technology will impact the scalability, process improvement, or market adoption of the commercial product for the non-enabling technology.

### Industry Selection

The technology must directly impact the industries selected. The technology must represent a significant departure from currently available technology available in the industry. The use of an industry’s currently available technology does not constitute a significant impact (i.e. the use of currently available electronics components does not constitute an impact on the electronics industry).

Industries selected will be verified by OEDIT staff and the applicable industry subcommittee leads. Failing to show a direct impact may result in a less favorable evaluation by the reviewers. For industry definitions please review the Advanced Industry Definitions provided in this document.

## Eligibility

Research institutions located and operating in Colorado that have a Technology Transfer Office (TTO) are eligible to submit Proof of Concept (“POC”) grants for consideration in a competitive Request for Applications (“RFA”) process that is administered by OEDIT. Research Institutions must be located and operating in Colorado and are a:

#### Public or private, nonprofit inst**i**tution of higher education or teaching hospital;

#### Federal Laboratory

#### Private technology and research center, or

#### Private, nonprofit medical and research center.

###  Such TTO must arrange for the sale or licensure of technologies on behalf of the research institution to private entities that will develop and manufacture resulting products in Colorado. A sample letter for qualification is found here: [www.advancecolorado.com/airesources](http://oedit.dev3.e3staging.com/funding-incentives/financing/ai-accelerator-grant-and-export-program/ai-grant-program-resources)

### Matching Funds.

Though dedicated funds are required to execute a grant, a technology transfer office may apply to the program with only a commitment for matching funds. A typical commitment is a grant award notice, or a pledge of departmental or investigator funds on research institution letter-head.

### Selection Preference is given to proposals that:

#### Impact more than one advanced industry

#### Involve more than one research institution

#### Involve research sponsored by an AI Colorado Company at the applying research institution

#### Originate from a nonprofit research institution

## Application Process

Initial Application - Qualified applicants may initially apply for an award at any Phase of the POC Program or at any stage along the Early Stage commercialization timeline.

The intent of the Initial Application is to provide enough information to a group of reviewers so that they can sufficiently evaluate the commercialization potential of a technology and the value of the proposed project in advancing the technology toward commercialization. Applicants should draft their Initial Applications with the assumption that the reviewers have an undergraduate/master’s level education in both business and the relevant scientific discipline.

### Transition Request

In order to facilitate the development of technologies through commercialization phases, there is a streamlined review to move projects from earlier stages through later development stages. Applicants that have successfully completed POC Phase I may request funding for POC Phase II by submitting a phase transition request.

### Timing

Initial Applications and Transition Requests may be submitted during open application windows and will be reviewed every quarter. Application rounds will close on the 1st business day of the month three times each year (March, July, and November). Online applications are available 1-2 months prior to each application deadline. The full review process typically takes 10-12 weeks.

### Rejected Applications

Rejected applications may be re-worked and resubmitted in the next grant cycle. There is no appeals process.

## Application Instructions

In applying for this grant, you are providing information to the State of Colorado. As the submitter, you have an obligation to carefully review all information provided to ensure it is accurate to the best of your knowledge and it does not contain any omissions, misrepresentations or factual errors. The reviewers of this application reserve the right to validate or check any information provided by the applicant, and if errors, omissions or misrepresentations are found, to modify the responses to correct for these deficiencies in evaluating the application and/or cancel any grant awards based on such deficiencies. Deliberately providing factual errors, omissions or misleading information to the State of Colorado as part of this application may be subject to penalties and sanctions as allowable by law.

### Executive Summary

This is a single question section requesting a single page high level overview of your technology and this project. This section is not scored, but will serve as an introduction for your application during the review process.

### Applicant Information

This section is not scored, but insufficient answers can cause the application to be rejected.

This section consists of identifying information on the applicant.

### Project Summary & Grant Amount

This section is not scored, but insufficient answers can cause the application to be rejected.

This section gives a brief overview, identifies the high-level milestones already accomplished and those to be achieved during the project, summarizes the project proposal, and identifies total grant dollars requested. Identify source of matching funds available at the research institution, which can be any grants, federal funds or personal investments.

Applicant must identify the AI applicable to the technology. Explain how the technology being developed impacts each AI selected.

When two or more AIs are selected, if one of the industries selected is Advanced Manufacturing, Electronics or Information Technology (enabling industries), the application must directly address how the enabling technology will impact the scalability, process improvement, or market adoption of the commercial product for the non-enabling technology.

### Stakeholder Collaboration

This section is scored.

It is important that these questions be answered. These help determine the statutory application selection preferences. OEDIT will review and confirm accuracy – OEDIT may modify the applicants’ answer for scoring purposes if the answer is not accurate.

### Technological Merit

This section is scored.

Questions are self-explanatory.

### Market & Economic Potential

This section is scored.

Questions are self-explanatory

### Commercialization Path & Risk

This section is scored.

Questions are self-explanatory

In composing a project timeline, utilize the sample outline in the Resources section on the AI webpage – this should be customized to reflect the specifics of the proposal. [www.advancecolorado.com/airesources](http://oedit.dev3.e3staging.com/funding-incentives/financing/ai-accelerator-grant-and-export-program/ai-grant-program-resources)

### Personnel, Budget & Plan

This section is scored.

Utilize the budget template in the Resources section on the AI webpage – this may be customized to reflect the specifics of the proposal and institutional accounting systems.

### Documentation

This section is not scored, but provides a critical opportunity to submit all supporting documentation.

### Compliance

Much like the Applicant Information, this section is not scored, but insufficient answers can cause the application to be rejected. The primary purpose of this section is to establish eligibility for the grant program and the amount requested.

# Early-Stage Capital and Retention (ESCR) Grant Program

Grant funding is used to fund companies using technologies developed in proof of concept grants and other early stage start-ups that have created viable products that meet a market need and that can be created or manufactured in Colorado and exported globally. These grants should enhance the commercialization of advanced industry products or services in Colorado. Grant funding will not compete with existing marketplace funding opportunities, but rather is meant to supplement and fill an existing void or capital market’s tendency to under-invest in early stage technologies.



## Project Scope

**Phase III: Early Stage Development**

Early Stage Development grants support technology commercialization funding product development in preparation for a product launch; or the advancement of a product or technology to achieve a commercial milestone that significantly increases the company’s value and stability, and better positions the company for follow-on investment - including SBIR, angel funding or venture capital. The resulting product or service must be manufactured or performed in Colorado.

Milestones within this phase are:

### Model Refinement:

#### Engineering Prototype. Further refinement of prototype.

#### Strategic Marketing Plan. Further refinement of existing strategic marketing plan.

#### Strategic Business Plan. A strategic business plan reflects all the information, data and knowledge that has been collected to date.

### Market Introduction:

#### Pre-Production Prototype.

#### Market Validation.

#### Business Start-Up.

### Commercial Activity:

#### Production.

#### Sales and Distribution.

#### Business Growth.

## Funding

### Project Phase

Awards of up to $250,000 may be made to companies whose technologies impact a single advanced industry.

Once an application is approved, applicants must execute a formal Grant Agreement with OEDIT prior to obligating or spending any grant funds. Project milestones and budgets will be defined in the Agreement.

Unused funds must be returned to OEDIT and the Program Fund.

### Matching Funds

An ESCR grantee must have dedicated money that is at least 2x the requested grant amount. Dedicated money is cash in an account held by the grantee or formally committed by a third party investor or granting organization; funds are traceable and committed to the execution of the project work. Dedicated funds are necessary at the time of grant execution.

In-kind contributions do not satisfy matching requirements.

Matching funds cannot be OEDIT or state funds, neither directly received, nor received through a third-party.

### Grant Maximum

A company may receive grant awards up to $250,000 maximum, unless the award cap is lifted as described herein. The maximum grant award applies to AI Grant Program and the Bioscience Discovery Evaluation Grant (BDEG) programs combined.

### Use of Funds

The expenditure of both grant and matching funds must comply with an approved project budget. Once an applicant has been notified of an award, they may begin spending matching funds. Grant funds may not be spent until a Grant Agreement has been executed (received final signature by the State Controller or designee).

### ESCR Claw-Back Provision

The intent of the AI Grant program is to provide support to businesses that will actively pursue commercial development and manufacture of the product or technology within Colorado. In the event that a company supported by a ESCR Program award relocates or moves outside of the state (and therefore no longer meets the original grant eligibility criteria listed below) within 24 months of the conclusion of a grant, the company shall be obligated to reimburse the AI Grant Program for the full amount of the award, over a payback period of no more than 60 months. Such reimbursements shall be made to OEDIT and will be used to support future AI Grant programs and activities. For purposes of the foregoing, a company will be deemed to have moved its operations out of Colorado if (i) the company does not have a headquarters in Colorado and (ii) less than 50% of its employees reside in Colorado.

### ESCR Grant caps may be lifted for projects as follows:

The Project impacts more than one Advanced Industry. Applicants self-identify the industry or industries that the project will impact, verified by OEDIT staff and relevant industry subcommittee leads. If Advanced Manufacturing, Electronics, or Information Technology (enabling industries) are among the identified industries, the application must directly address how the enabling technology will impact the scalability, process improvement, or market adoption of the commercial product for the non-enabling technology.

### Industry Selection

The technology must directly impact the industries selected. The technology must represent a significant departure from currently available technology available in the industry. The use of an industry’s currently available technology does not constitute a significant impact (i.e. the use of currently available electronics components does not constitute an impact on the electronics industry).

Industries selected will be verified by OEDIT staff and the applicable industry subcommittee leads. Failing to show a direct impact may result in a less favorable evaluation by the reviewers. For industry definitions please review the Advanced Industry Definitions provided in this document.

## Eligibility

### Companies that:

#### Operate within the advanced industries

#### Have headquarters located in Colorado or have at least 50% of its employees based in Colorado

#### Have received less than $20 million from grants and third-party investors, since inception

#### Have annual revenues of less than $10 million

#### Demonstrate that the technology is adequately through the Proof of Concept Phase (Phase I) - (proof of principle study, owns valid IP -including trade secrets, completed prototype and technical validation and commercialization plan that includes a market assessment confirming market need and opportunity, and initial start-up activities)

### Matching Funds. Though dedicated funds are required to execute a grant, an otherwise eligible business may apply to the program without dedicated matching funds. The program aims to bridge funding gaps by moving the business forward to a point where market capital is accessible. In support of this goal, a Conditional Grant Award may be given to an applicant without dedicated matching funds. The Conditional Award may support the business in attracting or otherwise securing the required dedicated match for grant execution. Should an ESCR applicant receive an AI Conditional Grant Award, the business will have to obtain the required dedicated match within 6 months of the notice of the Conditional Award.

### Selection preference is given to proposals where the company:

#### is developing technology or R&D that impacts more than one advanced industry;

#### is developing technology licensed from a research institution operating in Colorado

#### is or has participated in an entrepreneurship program, or engaged with incubator/accelerator program; or

#### is referred by a VC/Angel investor group that has prepared a written analysis (submitted with the application) that the subject technology has commercial potential, but is too early for their investment criteria.

## Application Process

### Pre-Screen Application

This pre-qualification application for the Advanced Industry ESCR Company Grant is designed to verify that you meet the program's basic eligibility requirements before you take the time to complete the full application.

Please note that after you answer the four simple screening questions in this application, you will receive an automated email informing you that your pre-application screening answers were submitted and are pending review.

Your responses will be reviewed for compliance by OEDIT. This review should be completed by the next business day following your submission of the pre-qualification application.

Later, you should receive a second automated email telling you that your pre-screen was approved and then you can then log back into the application portal to complete your full application.

To access the pre-qualification application click here: [**www.advancecolorado.com/aiprograms**](http://www.advancecolorado.com/aiprograms)

### Initial Application

Qualified applicants may initially apply for an award at any point along the Early Stage commercialization timeline.

The intent of the Initial Application is to provide enough information to a group of reviewers so that they can sufficiently evaluate the commercialization potential of a technology and the value of the proposed project in advancing the technology toward commercialization. Applicants should draft their Initial Applications with the assumption that the reviewers have an undergraduate/master’s level education in both business and the relevant scientific discipline. It is recommended that applicants focus on what a technology does relevant to competing technologies, rather than providing a detailed explanation of its mechanism of action.

### Transition Request

### In order to facilitate the development of technologies through commercialization phases, there is a streamlined review to move projects from earlier stages through later development stages. Applicants that have successfully completed milestones within Phase III, still meet program eligibility, and are pursuing later milestones may request additional funding. Total AI Grant Program awards shall not exceed the ESC cap.

### Timing

Applications may be submitted during open application windows and will be reviewed three times per calendar year. Application rounds will close on the 1st business day of the month three times each year (March, July and November). Complete Initial Applications and Transition Requests submitted by midnight on the 1st business day of the month will be considered in that review cycle. Application review typically takes 10-12 weeks.

### Format

All Initial Applications and Transition Requests must be submitted using OEDIT’s on-line submission system. Applicant must establish a log-in and is not required to complete the application in one sitting. All required fields must be completed. Incomplete applications will be rejected.

### Rejected Applications

Rejected applications may be re-worked and resubmitted in the next grant cycle. There is no appeals process.

## Application Instructions

In applying for this grant you are providing information to the State of Colorado. As the submitter, you have an obligation to carefully review all information provided to ensure it is accurate to the best of your knowledge and it does not contain any omissions, misrepresentations or factual errors. The reviewers of this application reserve the right to validate or check any information provided by the applicant and if errors, omissions or misrepresentations are found, to modify the responses to correct for these deficiencies in evaluating the application and/or cancel any grant awards based on such deficiencies. Deliberately providing factual errors, omissions or misleading information to the State of Colorado as part of this application may be subject to penalties and sanctions as allowable by law.

### Executive Summary

This is a single question section requesting a single page high level overview of your technology and this project. This section is not scored, but will serve as an introduction for your application during the review process.

### Company Name and Contact Info

This section is not scored, but insufficient answers will cause the application to be rejected.

This section consists of identifying information on the applicant. Questions are self-explanatory. Some questions will populate with data you’ve already entered to complete the pre-qualification step.

### Project Information

This section is not scored, but insufficient answers will be rejected.

This section identifies the AI sector, checks for eligibility, identifies the technology’s stage of commercialization and milestones to be accomplished through the grant work.

### Stakeholder Collaboration

This section is scored. It is important that these questions be answered. These help determine compliance with the statutes, and eligibility for preferences. OEDIT will review and confirm accuracy – OEDIT may modify the applicants’ answer if they are not accurate for scoring purposes.

### Strategy, Product, Technology

This section is scored.

Questions are self-explanatory.

### Business Plan, Grant, Financials

This section is scored.

Questions are self-explanatory

Upload documents that verify the commitment of matching funds. These may be a commitment letter, or an award letter that may proceed funds being deposited in the applicants accounts.

In composing a project timeline, utilize the sample outline in the Resources section on the AI webpage – this should be customized to reflect the specifics of the proposal. [www.advancecolorado.com/airesources](http://oedit.dev3.e3staging.com/funding-incentives/financing/ai-accelerator-grant-and-export-program/ai-grant-program-resources)

Utilize the budget template in the Resources section on the AI webpage – this may be customized to reflect the specifics of the proposal and institutional accounting systems. [www.advancecolorado.com/airesources](http://oedit.dev3.e3staging.com/funding-incentives/financing/ai-accelerator-grant-and-export-program/ai-grant-program-resources)

Upload business plans, pitch-decks or other materials that have already been created to promote your business.

Upload the business financials.

### Company Management

This section is scored.

Questions are self-explanatory

Upload CVs or resumes for key project and company personnel.

Upload any letter(s) or recommendation from a business advisor.

### Benefits to Colorado

This section is scored.

Questions are self-explanatory

### Benefits to Colorado

Much like the Company Name and Contact Info, this section is not scored, but insufficient answers can cause the application to be rejected. The primary purpose of this section is to establish eligibility for the grant program and the amount requested.

# Infrastructure Funding Grant Program

Grant funding is used to accelerate commercialization and innovation of AI products and services by building capacity and workforce for the AI ecosystem. This program aligns private industry and research institutions to create public goods for the development of the advanced industries in Colorado.

## Project Scope

Infrastructure Grants Projects may include manufacturing demonstration facilities, workforce training facilities or programs, or other services meeting a demonstrated need. Projects fill important gaps in the advanced industry ecosystem or supply chain and provide public goods that support advanced industry researchers and companies in commercializing products. Projects substantially increase alignment between private companies within an advanced industry and research institutions to accelerate commercialization and innovation in Colorado.

### OEDIT may issue Requests for Proposals (RFPs) based on:

#### existing or upcoming federal grant opportunities;

#### existing Advanced Industry (AI) strategic imperatives as set forth in the AI strategic plan; or

#### new strategic needs for a particular AI based on input or request from an AI industry trade association on behalf of the AI key industry network.

## Funding

### Project

Awards of up to $500,000 may be made for a project. Strong preference will be given to projects that increase alignment and provide critical commercialization infrastructure to support more than one AI.

### Matching Funds

The applicant must have dedicated money that is at least 2x the requested grant amount. In-kind contributions do not satisfy matching requirements. Preference will be given to applications with documentations of existing matching monies, either bank statements or commitment letters. Applications without the full match currently available must include a detailed plan for acquiring these matching funds over the course of the grant period. Grant payments will not be made without correlating evidence the expenditure or availability of matching monies.

### Grant Minimum and Maximum

A project may receive grant awards of a minimum $50,000 up to the $500,000 maximum.

### Use of Funds

The expenditure of both grant and matching funds must comply with an approved project budget. Once an applicant has been notified of an award, they may begin spending matching funds. Grant funds may not be spent until a Grant Agreement has been executed (received final signature by the State Controller or designee).

## Eligibility

### Companies or organizations operating in Colorado and developing resources for Colorado, and responding to a Request for Proposals (RFPs) issued by OEDIT are eligible for these funds.

Federal grant opportunities can arise at any time and if a particular AI benefits from a federal opportunity, it may not make an additional request during its scheduled cycle.

### Preference is given to proposals that:

#### Accelerate economic growth in more than one advanced industry, or include more than one research institution or advanced industry stakeholder;

#### Originate from nonprofit research institutions or industry associations;

#### Focus on applied research and development, technology acceleration, or production-oriented or manufacturing-oriented facilities; or

#### Focus on workforce development that addresses the advanced industries’ workforce skills that are needed to facilitate commercialization of products or services.

#### Meet additional criteria provided by OEDIT within the relevant RFP or current Program Fact Sheet.

**For more information or to apply for a grant, visit** [**www.advancecolorado.com/aiprograms**](http://www.advancecolorado.com/aiprograms)