



# The Kentucky Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Matching Funds Award Program **Application Instructions 2019-002**

## APPLICATION PREPARATION AND SUBMISSION

The following shall be followed for submitting the Matching Funds application.

## REQUIRED DOCUMENTATION

Required documentation for **all companies** shall include:

- **Section 1.** KY SBIR Match Application, signed (excel file).
- **Section 2.** Proposal Narrative, written submission (PDF).
- **Section 3.** The federal award letter or fully executed contract of the Phase I, Phase II, or FastTrack Award as applicable from the Federal agency
- **Section 4.** A summary of the Federal Phase I or Phase II SBIR/STTR Grant project, as applicable. Limit six (6) pages.
- **Section 5.** For Phase II applications, the applicant shall provide written documentation of commitments and/or receipt of Private Investment (see Program Guidelines for details), or adequate documentation of outside revenue.
- **Section 6.** Companies shall also provide documentation on the unspent amount of the Federal Grant fund balance at the time of the Matching Funds application for the Kentucky SBIR/STTR Matching Funds Grant Program. This will be used to determine the maximum amount of the Kentucky SBIR/STTR Matching Funds Grant.

**In all cases, Kentucky SBIR/STTR Matching Fund Award amounts cannot exceed \$150,000 for Phase I and \$500,000 per year for a Phase II award.**

Submit completed applications to [SBIR@kyinnovation.com](mailto:SBIR@kyinnovation.com)



## PROPOSAL NARRATIVE

Create a PDF document for submission that addresses each of the following topics. Create section headings for: Technical, Commercial, Project Team and Facilities, Job Creation, Other Additional Information, and Budget Justification. Within each section, tell the story of your company with consideration to the subtopics listed. Include applicable items listed in the Other Addition Information section within this PDF.

The total page length of the Proposal Narrative shall not exceed **10 PAGES MAXIMUM for Phase I applicants and 20 PAGES MAXIMUM for Phase II applicants** (attachments, bios, letters of support, budget justification, and Gantt chart are included in page limit total count).

### Technical

- a. Significance – What problem needed to be solved? Is there a market need? Is an alternative solution needed? What features or parameters will meet the market need?
- b. Innovation – What is your proposed technology to solve the problem and how does it differ from existing technologies? What is innovative about it?
- c. Risks – How much risk is involved in developing the proposed technology?
- d. Tasks and Approach – What are the overall goals and aims? What tasks are to be conducted through the Federal SBIR/STTR grant? What other additional but complimentary tasks are proposed to be conducted under the Matching funds award and why? Describe the approach to complete the proposed work. Explain how the proposed tasks complement the Federal tasks. Who will do the work (company personnel, subcontractor, a consultant...) and what are their qualifications to do the work? How will the proposed tasks aid in proving the feasibility further or in strengthening the technology development effort. How will these additional tasks help you in making your case for a Federal Phase II grant or in furthering the commercialization of the technology?
- e. What is the current IP status? Who owns the technology? Are you licensing the technology and what restrictions do you have for its use?

### Commercial

- a. What are the existing and potential market opportunities? What is the value proposition? How will the proposed technology fill the market need?
- b. Who are your customers?
- c. Identify and elaborate on competing technologies and competitors.
- d. What is your company brand? Do you have a marketing budget? How will the new product/service being developed fit into and enhance the company's brand? Are there additional products or services in the pipeline?
- e. Provide a SWOT (Strength, Weaknesses, Opportunities and Threat) Analysis.
- f. What are the regulatory and/or other market hurdles? How will the company overcome these?



### **Commercial continued...**

- g. What is the commercialization plan, including product manufacturing and licensing? How will you make a profit?
- h. Elaborate on financing including grants, angel and/or VC investments, and product sales revenue?
- i. What is your end goal as far as the company, the technology, and the investors are concerned? How long do you anticipate it will take to reach that point?

### **Project Team and Facilities**

- a. Identify if facilities have been secured for the work proposed.
- b. Identify team members and their roles.
- c. Identify the business team lead and qualifications,
- d. Indicate if the team members are full-time/part-time/interns/subcontractors/employees.
- e. Identify the Kentucky-based PI or Co-PI for the Matching Funds Award.

### **Job Creation**

- a. Identify any new proposed full-time and part-time jobs funded by the Matching Award and employed by the company.
- b. Identify any new interns to be hired.
- c. In case of out-of-state companies, identify each employee's home residence at the time of application, and the proposed state of residence when company relocates to Kentucky (i.e. 90 days after the effective date of the grant).

### **Other Additional Information**

- a. Company – Describe the business, current product portfolio, employees on staff, collaborations. If from out-of-state, elaborate on the projected plan to move the company to Kentucky including moving of current employees, company assets and property, and any specific needs that might be of concern in company's operation after the move.
- b. Identify the Management Team.
- c. Include detailed letters of support.
- d. Elaborate on private investment arrangements.
- e. Provide details of company revenue, if any.



## **Budget Document**

Using the budget template tab, found in the KY SBIR Match Application, identify budget in predefined categories. Expand with a narrative budget justification included in the Proposal Narrative

### **Budget Document Content**

- Charges must be reasonable for the tasks proposed. Where possible provide supplemental information, quotes, estimates, etc. Do not include any fee.
- Do not include indirect cost or rate as a line item
- Fringe rate may be included for salaries paid to employees. Fringe typically includes costs such as payroll taxes paid by the company, paid time off, insurance benefits provided to the employee, and retirement match contributions paid by the company into an IRS defined retirement plan.
- For personnel, list each individual that will be paid, the level of effort committed specifically to the Matching Funds project, the base salary, fringe, and the total amount charged to the award for this individual. Base salary proposed may not exceed the base salary charged to the Federal agency.
- For subcontracts, provide a separate subcontract budget and budget justification. Provide a letter of support from the subcontract institution agreeing: a) to enter into a collaborative agreement with the company, b) to the stated scope of work, and c) to the proposed budget. Note that sub award indirect costs are limited to 10%. List each sub award (total cost) as a single line item in the company's budget.
- For travel, identify the number of trips proposed. For each trip, identify the destination, the business purpose, the specific individuals who will travel, and the estimated cost of each trip. Each trip must commence from Kentucky. Restrict travel to 3% maximum in Phase I Grants and 2% maximum for Phase II awards.
- Identify how the company will satisfy the program guideline's requirement of at least 51% of company's total payroll and full-time employees or owners in Kentucky.
- Include a \$10,000 line item in the "Other" category for mentor fees. KY Innovation will reserve the option to require a funded company to work with relevant resources/mentors in order to improve/accelerate success, including facilitation of matching meetings between the company and other executive management or advisory services.

## **Gantt Chart (one page only)**

- Create a PDF document that includes a project Gantt chart. This attachment is limited to one page.
- Present both the Federal and Matching Funds tasks at the task level only;
- Identify each task with a consolidated description



## RELEASE OF INFORMATION

All documents submitted to KY Innovation, including applications, are public records governed by Sections 61.872-61.884 of the Kentucky Revised Statutes and other applicable provisions of the Kentucky Revised Statutes protecting confidential information. When specific information in an application is regarded by the applicant as confidential and not subject to disclosure under the Kentucky Open Records Act, the applicant may specifically and clearly designate it as such in writing on that portion of the application in which the information appears. An applicant should provide an explanation for why particular information is regarded as confidential. Applications should not be indiscriminately marked as confidential. However, the provisions of the Kentucky Open Records Act shall govern any release of information.

**The Commonwealth of Kentucky/Cabinet for Economic Development (CED)/KY Innovation  
Small Business Innovation Research (SBIR) and  
Small Business Technology Transfer (STTR)  
Matching Funds Program**

