



# KY INNOVATION

CABINET FOR ECONOMIC DEVELOPMENT

## The Kentucky Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Matching Funds Award Program Application Instructions 042-2023-002

### APPLICATION PREPARATION AND SUBMISSION

All applications must be submitted on the most recent version. Applications submitted using the old versions will be considered non-responsive. The current version of the application is posted on [www.kyinnovation.com/sbir](http://www.kyinnovation.com/sbir) during the solicitation window. Use the following instructions to submit a Matching Funds Award 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/SSTR Grant project, as applicable. Limit six (6) pages.
- **Section 5.** If located outside of Kentucky, applicants shall also provide documentation on the unspent amount of the Federal Grant fund balance at the time of the Matching Funds Award application for the Kentucky SBIR/STTR Matching Funds Award Program. This will be used to determine the maximum amount of the Kentucky SBIR/ STTR Matching Funds Award.

**In all cases, Kentucky SBIR/STTR Matching Fund Awards are reimbursable grants and amounts cannot exceed \$100,000 for Phase I and \$150,000 per year for a Phase II award.**

**The initial project term for round 042-2023-002 will begin January 1, 2024.**

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

## PROPOSAL NARRATIVE

Create a PDF document for submission that addresses each of the topics below and contains the following headings: 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 Additional 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, and budget justification are included in the page limit total count. Letters of support and the Gantt chart are **not** 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, etc.) 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?
- 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 to be funded by the Matching Funds 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 (change of residence must be completed within 90 days after the effective date of the grant).

### **Other Additional Information**

- a. Company – Describe the business, current product portfolio, employees on staff, and other company 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. Project timeline begins July 1, 2023. 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. Fringe is limited to 30% for employees that are paid via W2 payroll.
- For personnel, list each individual that will be paid, the level of effort committed specifically to the Matching Funds Award 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 of Matching Funds Award in Phase I award and 2% of Matching Funds Award maximum for Phase II award.
- Identify how the company will satisfy the program guideline's requirement of more than 50% of company's property and payroll in Kentucky.

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

- Create a PDF document, separate from proposal narrative, that includes a project Gantt chart. This attachment is limited to one page.
- Present both the Federal and Matching Funds Award 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.