

REQUEST FOR APPLICATIONS (RFA)

Maryland Innovation Initiative (MII)

Company Formation Application Guidelines

Purpose:

The Maryland Innovation Initiative (“MII”) Innovation Commercialization Program (the “Program”) was created to foster the transition of promising technologies having significant commercial potential from Qualifying Universities (defined below), where they were discovered, to the commercial sector, where they can be developed into products and services that meet identified market needs. Specifically, it is the intent of the Program to foster the commercialization of such technologies through technical validation, market assessment, licensing to a suitable commercial partner or through the creation of start-up companies in Maryland. A “Start-up” is a company reliant on technology licensed from a Qualified University for commencement of its operations. It is also the intent of the Program to foster collaborations within and among various research institutions and departments in the State.

The Program is divided into two phases, a Technology Assessment Phase for Qualified Universities, and a Company Formation Phase for Start-ups. This document outlines the details of the Company Formation Phase. The Technology Assessment Phase is outlined in a separate document.

Eligibility:

To be eligible for the Company Formation Phase, applications must be directed toward the commercialization of a technology or group of technologies: owned by a Qualifying University; disclosed to a Qualifying University’s technology transfer office (TTO); and for which there exists appropriate intellectual property protection (a “Technology”).

Qualifying Universities include:

- Johns Hopkins University
- Morgan State University
- University of Maryland, Baltimore
- University of Maryland, Baltimore County
- University of Maryland, College Park

Start-up companies meeting the following eligibility criteria may apply for MII Company Formation funding regardless of whether the underlying Technology has completed an MII Technology Assessment award.

Applicants for Company Formation must be a Start-up meeting the following criteria to be eligible for funding from the Program:

- The new start-up must be based in Maryland and satisfy the MII Principal Place of Business definition below:
 - At least 50% of the company's employees (FTE) reside or work in Maryland.
 - The "nerve center" of the company's business (the location from which the company's officers direct, control and co-ordinate the company's activities) must be in Maryland; and,
 - The Company must lease or own a facility in Maryland from which it conducts business.
- The new start-up must have no more than pre-seed level of dilutive funding totaling less than \$1,000,000.
- The new start-up has licensed technology from a Qualifying University (Johns Hopkins University; University of Maryland, Baltimore; University of Maryland, College Park; University of Maryland, Baltimore County; and Morgan State University.) no more than twelve (12) months prior to applying for a Program award.
 - If the technology has not yet been licensed, a fully executed license agreement will be required within 90 days of notification of the MII award. A copy of the license agreement will be required before execution of award agreement.
 - The new start-up must be dependent on licensed technology for the commencement of its operations.

Funding Amount:

Subject to meeting the Program requirements, investments of up to \$300,000 may be made directly to a Start-up.

Investment Terms

Investment is made through one of two mechanisms below, determined upon award by the MII Board of Directors. The investment mechanism decision is based upon the recommendation of the MII Executive Director and is at the sole discretion of the MII Board. A copy of each of the agreements can be found on the [MII website](#).

Convertible Debt Note (Convertible Note)

Under the Program, awards may be investments made in the form of a five-year, convertible promissory note to the company. Interest will accrue on the note at a rate of 8% per annum. If the company receives an aggregate outside investment of \$500,000 or more prior to the maturity date of the note, or in the event of another sale of substantial assets or equity (i.e., an

acquisition), MII may, at its sole option, call the note or convert the principal and interest due on the note to equity on the same terms and conditions received by the most recent investors.

Reimbursable Grant

Company Formation awards may also be made as a revenue-based reimbursable grant, in which instance awardees will be obligated to pay back to MII an amount equal to three percent (3%) of their quarterly revenues for a period of ten (10) years following the award date, or until the company has re-paid MII a total sum equal to twice the total amount disbursed under the award.

Overview and Program Description:

MII Company Formation investment is a 9-month project intended to support the development of a technology by a Start-up to achieve technical and commercial milestones that significantly increase the value proposition to better position the company for product launch, customer acquisition, and follow-on investment.

- **A five-page final report that describes an overview of all activities undertaken during the funded project will be the deliverable for the Company Formation award.**

Project funding will be subject to the successful completion of several project milestones. Applicants should be aware that project funding can be terminated at any point during the project if early project data suggests that the company's progress will not be sufficient for the intended commercial application or if the project is not reasonably progressing as originally proposed.

How to apply:

Meet your Site Miner

Site Miners are individuals selected by the Qualifying Universities to assist faculty and start-ups in submitting a strong, business-oriented application focused on commercialization. By providing valuable input and feedback prior to submission of an MII application, these individuals work as liaisons between the applicant and the MII program to ensure that all proposals meet a high standard of quality and align with the mission of the program.

- **The MII program requires each applicant to engage with a Site Miner, at least one month (30 days) before application submission. Involving a Site Miner early in the application process increases an applicant's odds of success.**
- Every application must include a current, dated letter of approval, signed by a Site Miner stating their interaction with the applicant has been at least one-month (30 days) prior to application submission to meet compliance requirements. (Visit the [MII web page](#), under "Site Miners" for the letter of support template.)
- *Unlike Technology Assessment applications, the Site Miners do not present Company Formation applications at the MII review committee meeting. The Start-up CEO is required to present their MII Company Formation application to the review committee.*

If you do not know your Site Miner's name, please email MII@tedcmd.com for assistance or speak with your respective Institution's technology commercialization office.

Obtain your unique TEDCO ID number

Pursuant to the Economic Development Article of the Maryland Code, TEDCO is required to foster inclusive and diverse entrepreneurship and innovation throughout Maryland. Accordingly, TEDCO is now collecting race, gender, and ethnicity data to be used, in aggregate, to better understand the communities that are accessing TEDCO's resources/funding.

Before you apply for the MII program, please visit the link below to fill in the company particulars and obtain a unique TEDCO ID number for the company. Please note that this number is different from the number you may have acquired during the Technology Assessment phase. This number is connected to your company, and you will need this number to apply to any of the programs under TEDCO in the future.

[Company Formation TEDCO ID form](#)

Draft your Application

There are two required components to any MII Company Formation application – the General Application Information and the Full Application. Each component is described at length in the following sections.

General Application Information is entered directly into an online application submission portal and includes:

- A TEDCO ID (See section above)
- A proposed project title (15 words max.),
- The proposed project duration (9 months or less),
- The CEO's profile information,
- An indication of whether the application is new or is revised (resubmitted),
- The name of the Qualifying University(ies) from which the company originates,
- An indication of the MII Phase for which an application is being submitted,
- A non-proprietary abstract of the proposal (300 words max with no special characters),
- The total budget requested for the proposed project,
- The Technology disclosure reference number and the status of the intellectual property
- A selection of the technology type/category (use the best option),
- An indication that a signed letter of approval from a technology transfer office is included in the Full Application,
- An indication that a signed letter of approval from an MII Site Miner is included in the Full Application.

The Full Application is intended to provide enough information such that a group of reviewers can sufficiently evaluate the commercial and business potential of a Start-up as an investment opportunity. This document must:

- Be uploaded to the online application submission portal as a single Adobe PDF file.
- Be formatted as single-sided document, with one-inch margins, and a font size of at least 12 points.
 - Except for figures, figure legend and tables where a font of at least 10 points is acceptable.
- Not exceed 15 pages total (Submissions exceeding 15 pages will be rejected without consideration),
- Include all criteria described in the Full Application Components section below.

All MII Company Formation applications must be submitted using the MII online application portal which can be accessed at:

www.tedcomd.com/funding/maryland-innovation-initiative

Complete applications for each project must be submitted by 5:00pm on the 15th day (or first business day thereafter) of each submission month – July, October, January, and April. Applications submitted after 5:00PM will be rejected without consideration.

Full Application Components:

Information requested in the Full Application for Company Formation **must** include all the following sections and address *EACH* of the bulleted criteria while being within the maximum page limit:

- Cover Page (1-page)
- Company Formation Proposal (5-page limit)
 - Executive Summary (2-page limit)
- Supplemental Materials
 - Economic and Societal Impact Statement
 - A signed letter from the Qualifying University's Technology Transfer Office
 - A signed letter from the appropriate Site Miner
 - ***All letters must be dated within one month (30 days) of application submission date.***
 - Optional supplemental materials
 - Responses to reviewer feedback for resubmissions (if applicable)

Applications must address all criteria under the following sections.

Page Count Checklist

- Cover Page	1 page
- Company Formation Proposal	5 pages
- Executive Summary	2 pages
- TTO letter	1 page
- Site Miner letter	1 page
	<i>10 pages subtotal</i>
- Optional supplemental materials (remaining 4-5 pages)	
- Support Letters	
- References	
- Etc...	
- <i>Resubmission Response to comments (if applicable)</i>	<i>1 page</i>

A complete submission (all sections) **cannot exceed 15 pages** or will be rejected without consideration.

Cover page (1 page)

- The name of the Company
- Title of the project (15 word maximum)
- The name of the Qualifying University(ies) that owns the subject Technology.
- The name and contact information of the CEO who will be responsible for the project.
- The total amount of funding requested.

Company Formation Proposal (5 pages, scored)

A. Technology Description, Status, and Intellectual Property (Weighted, 1x)

- Problem Statement
 - Describe the problem with the status quo or currently accepted best practice.
 - Who has this problem? How big is the problem? Has the problem been identified as a common need?
 - Who is involved in decision making process to determine what products or services (competitive or not) are used to address current needs?
 - How might varying circumstances affect decisions and lead customers toward considering alternative solutions? How are these decisions and outcomes typically evaluated?
- Solution Statement
 - Explain the overall significance of solving the specific problem that a solution will bring to customers.
 - What is the unit of value? Ex: cost savings, time savings, convenience, improved outcomes, etc...
 - Focus on customer benefits over features (the Solution may not always be “better, faster, cheaper...”)
- Technology Description and Status
 - Explain what the Technology is and what it does.
 - Discuss the developmental status of the Technology.
 - Express through studies completed and conclusions derived, technology readiness level (TRL), etc. (I.e. TRL 5-6 is typically a minimum level of maturity for Company Formation proposals)
 - Provide strong data/evidence to indicate the Technology is likely to work as predicted.
 - Figures and tables are encouraged.
 - Describe how the Technology is unique/novel in its approach to creating a product or service that solves the problem relative to other approaches in the scientific literature and among other commercial products.
 - Define specific indications, use-cases, and environments that will be addressed.
 - If applicable, discuss additional, potential commercial products or services that could be created through the Technology.
- Intellectual Property

- Describe the intellectual property secured for the Technology and strategies for strengthening the Technology’s intellectual property portfolio.
- A “deep-to-complete” landscape analysis of the intellectual property should also be included.

B. Market Analysis and Competition (Weighted, 1x)

- Market Analysis
 - Describe the value proposition of the Technology to a targeted market opportunity.
 - Vertical Market Segmentation
 - What is the primary, secondary, target market segment?
 - Market Size in \$
 - What is the total addressable market (TAM)?
 - What is the serviceable available market (SAM)?
 - What is the serviceable obtainable market (SOM) (target market)?
 - Market size may also be represented using a “bottom-up” model based on specific customer segments and comparable product prices and sales.
 - Market Trends
 - What is assumed or forecasted in the target market that supports a commercial opportunity for the Technology as a product or service?
 - Describe how the Technology as a product or service will be used in the target market.
 - Discuss why the target market will value the solution proposed by the Technology.
 - Provide a detailed description of the target customer (may not be the same as the end-user).
 - Who are the critical stakeholders that will purchase the product or service?
 - What is the size of the market opportunity that these customers represent?
 - What unit of economic value do these customers prioritize in existing acquisition processes and purchase decisions?
 - Why will they be interested in the solution proposed by the Technology as a product or service?
- Competition
 - Identify and describe alternatives/competitors in the same or similar market and clearly outline a general description of the applicant’s competitive advantages over competing products and services.
 - A competitive analysis matrix could be helpful to demonstrate and quantify advantages, features, capabilities, etc...
 - How does the Technology interact, modify, or disrupt the status quo? Who is impacted along the way? Is there a compelling statistical improvement that would make it a viable solution?
 - What are the relative strengths, weaknesses, opportunities, and threats (SWOT) among competitors or competitive practices?

C. Commercialization Pathway, Go-to-Market Strategy and Risk Assessment (Weighted, 2x)

- Commercialization Pathway

- If applicable, what was accomplished to validate the commercial potential of the Technology during a previous Technology Assessment award?
- Describe the business model that will support the Technology product or service.
 - What specific value propositions are being delivered to the target customer?
 - Refrain from generalities and holistic economic benefits and discuss what functions and features the Technology as a solution provides to whom at an operational level.
 - May include a pro-forma, if applicable, that describes how quickly the company would expect to generate revenue.
- Provide an overview of the timeline with technical and financial benchmarks and milestones that have been and must be achieved to commercialize the Technology.
 - What are the key demonstrations, validations, and proofs that must be performed and captured to prove the ability to deliver the value propositions to customers and validate adoption?
 - Upon what performance standards, product technical or economic validation, scaling or integration requirements, head-to-head comparisons, clinical trials, documentation, etc. are claims based?
 - Describe any regulatory approvals needed to bring the product to market.
 - What is the pathway?
 - What progress has been made toward seeking approvals?
 - Based on credible data, how long will it take and how much will it cost to achieve each milestone?
- Include a list of specific external funding sources or programs that the applicant has leveraged as prospective means of supporting product development – grants (SBIR/STTR), venture capital, pitch competitions, accelerators, contracts, etc.
- Go-to Market Strategy
 - Provide an overview of plans to execute the business model and capture a target market opportunity.
 - Describe the approach that will be taken to raise awareness of and ultimately deliver the product or service to the target customer.
 - What type of marketing strategy will primarily drive transactions? (e.g. B2C, B2B, B2G, etc.)
 - May include sales strategy, advertising, procurement, etc.
 - Discuss any engagements with potential commercial partners and the level of interest those partners have in the technology, if any.
 - At what point in the development of the technology would they become customers or investors?
- Risk Assessment
 - Provide a discussion of significant technical and commercial risks that could impede development of the Technology and ability to deliver value by the Company along the commercial pathway and strategies to address them.
 - What are possible hurdles that would affect progress as expected (regulatory bodies, long-standing practice, product integration into existing workflow, lack of

infrastructure, etc.) and how would the team prepare to address them to deliver value?

D. Project Milestones, and Detailed Budget/Justification (Weighted 2x)

- Project Milestones
 - Include a summary of the proposed 9-month MII Company Formation project and the anticipated technical milestones with a clear timeline and cost structure. Indicate which milestones will be completed by the applicant's mid-term presentation (4.5 months into the project) while describing how the completion of each milestone brings the product closer to the commercial market.
 - The scope of work proposed in each milestone should support the pursuit of commercial value.
 - What key proof of concept data will be collected to strengthen the value proposition for the Technology as a commercial opportunity?
 - Upon what evidence are benchmarks established?
 - What is the commercial significance of achieving each milestone?
 - Milestones must be quantifiable and measurable so it will be obvious when they have been successfully, or unsuccessfully, met.
 - An accompanying GANTT Chart could be helpful to illustrate the timeline for expected deliverables.
- Detailed Budget/Justification
 - *A detailed, itemized budget of the costs required to conduct the project should be provided separately in the application portal following the format and guidance provided in Appendix A.*
 - A written justification for project costs should be provided. Any changes to the approved budget (greater than +/- 10%) must be submitted through the online award management portal in writing to the Program Manager for approval prior to the completion date.

E. **Executive Summary (2 pages, scored, Weighted 1x)**

- An up to two (2) page Executive Summary of the Start-up Company which *does not affect the 5-page limit covered in previous sections*. The summary should serve the purpose of providing a clear, concise, but complete overview of the start-up with the intent of grabbing a reviewer's attention and piquing their interest to learn more about the company. Realize that this document may be the initial body of information that conveys the value of the company to a potential stakeholder who may have limited bandwidth. In essence, an Executive Summary is a company's resume that will be used to communicate with and attract additional resources. As such, the two-page Executive Summary must include the following elements:
 - Header
 - Company name, logo, address, website
 - CEO name, phone, email
 - Relevant industry category, # of employees
 - Problem
 - What is the problem? What is our solution? Who cares? Why should they care? What opportunity is there to be had by solving this problem?
 - Market
 - What is the market size, opportunity, growth rate, other notable trends? How is it segmented? What is the target market? Who is the target customer (may not be the same as the end-user)? Of what alternatives/competitors in the market should the investor be aware?
 - Value Proposition
 - A brief history/background of the company. Why is this the company that can solve the problem and capture the market opportunity?
 - What unique qualities poise this company to establish a strong and maintain a defensible market position (IP, domain expertise, etc.) against alternatives and competitors?
 - What evidence can you provide to an investor that suggests customers will purchase your product or service based on your relative value?
 - Through first-hand market data (customer interviews, I-Corps, etc.), what product/service features do/can you provide that your customers find valuable?
 - How do these features give the company a competitive advantage?
 - Business Model
 - Product development – How will you build and manufacture your product to meet the needs of the target customer? How much will/does it cost? At what price will you sell it?
 - Go-to-Market strategy - How will you convince the target customer to purchase your product/service and through what means? How many do you need to sell and how much will it cost to make a sale?
 - Team

- Describe the team (executives, advisors, key personnel), their names, titles, and biographic information, that will lead the company and guide the commercial pathway of the product/service.
- Why is their involvement essential to the company's operational excellence and commercial success? What valuable experience do they offer to this end? How will their involvement poise the company to receive follow-on funding and generate revenue (beyond the scope of MII Company Formation)? If the company is still building a team this may include a plan to build and attract talent to fill needed roles.
- Funding and Financial Projections
 - Funds raised to date may include investment and grant awards that specify from whom the funding was received, the amount, and a brief description of how the funding is being leveraged.
 - A financial projection table that conveys the funding needed over time for the company to breakeven. Should have an ask in dollar amount over a definite timeline that specifies for what the follow-on funding will be used. This ask may change depending on the company's evolving circumstances.

There is no stylistic preference for how you choose to express the information above. For example, you may choose to use graphics and figures to illustrate certain elements. Regardless, the information provided in the Executive Summary should clearly, concisely, and completely provide an overview of the company.

Supplemental Materials (Required, not scored)

References, cover page, support letters, one-page resubmission response to reviewer comments etc., which are not counted as part of the 5 pages; however, a complete submission cannot exceed 15 pages or will be rejected without consideration. Applications must include the following **supplemental materials**, which are not included in the page count constraint:

- Economic and Societal Impact Statement
Include a brief statement highlighting the potential economic and societal impact on Maryland. May be captured in terms of improving infrastructure; public health; workforce development; inclusion and support of disadvantaged and marginalized individuals and communities; public safety; commonwealth; jobs created, etc.
- A current signed letter from the Qualifying University's technology transfer office indicating their approval of the project, certifying the Technology's disclosure reference number and the status of the intellectual property.
- A current signed letter from the appropriate Site Miner indicating their support of the faculty or entrepreneur submission and the fact that they have been engaged with the PI on the application a minimum of one-month (30 days) prior to submission.
- Optional Supplemental Materials may include:
 - Letters of Support for the project from interested parties (strategic partners, investors, corporate sponsors, potential customers, etc.)
 - An Appendix

- List of references
- Figures, tables, SoWs, proposals, quotes, IRB applications/approvals, Institutional Animal Care and Use Committee, etc.)

Resubmissions

Applicants may submit the same proposal up to three (3) times. If the proposal is rejected after the third submission, resubmission will no longer be allowed. Submissions must be based on the original intellectual property.

Response to Reviewer’s Comments. If an applicant’s proposal is initially rejected, and the applicant chooses to reapply for Program funding, the applicant must submit a written response to the reviewers’ comments including how those comments were addressed in the resubmitted application. The Response to Reviewer’s Comments may not exceed one (1) page, and is not counted as part of the five-page application count but is counted toward the maximum of 15 pages.

Include an *updated* letter from the Qualifying University’s technology transfer office indicating if they are engaged in good faith negotiations with the Applicant or have executed a license agreement with the applicant for a subject Technology; please indicate any current activity or updates to tech transfer activities.

Include an *updated* letter from the appropriate Site Miner indicating their current support of this faculty or entrepreneur submission and the fact that they have provided input on the application a minimum of one-month (30 days) prior to submission.

Review Process:

Compliance Review

All applications for Program awards will be initially reviewed by MII staff to ensure that they meet the minimum requirements, as specified in this RFA (the “Compliance Review”). Applications not meeting the minimum requirements will be rejected without further consideration and the applicant will be notified.

Application Review Process

Following the Compliance Review, all Applications will be assigned to several reviewers for review and preliminary scoring. All Applications receiving favorable initial scores which indicate a strong recommendation to be funded will be invited to an MII Review Committee meeting for subsequent discussion and final scoring.

The MII Review Committee will consist of representatives of the business and investor community and MII or TEDCO staff. *At the sole discretion of the Executive Director, applications may be brought to the MII Review Committee under extraordinary circumstances.*

Company Formation applicants who are will be required to present at the regularly scheduled MII Review Meetings under the following guidelines:

- The CEO listed on the application must plan to present on either of the stated review dates. Other team members may attend; however, the CEO must attend.
- All presentations will be scheduled as part of standing MII review days listed below. If the company CEO cannot present on the scheduled day they should not apply in that round. Due to the number of applications on any given review day, presentation times will be assigned by MII staff.
- The CEO will need to hold the review day open until the time is assigned. This may be confirmed as close as a week before the review day, so the CEO will need to remain flexible during this process.
- A Site Miner will still need to provide a signed letter as part of the initial application in support of the submission, even though the Site Miner will not be able to participate in the discussion.
- The Company Formation applicant will be allotted a 10-minute timed presentation, followed by 20 minutes for Q&A. **Maximum of 10 slides total**. Following are the required slides for the presentation:
 - What is the Problem?
 - What is the Solution?
 - What is the Technology?
 - Technology Outline
 - Intellectual Property
 - Target Market?
 - Segmentation Analysis
 - Target Customer Profile
 - Commercial Pathway

- Timeline and Costs
- Risks and Mitigation Plan
- Go-To-Market Strategy?
 - Partnering? Production? Marketing? Distribution?
 - Sales?
- Finances
 - Revenue and Cost Projections
 - Financing Needed for the MII Project?
 - Follow-on Financing for the Next Steps, Beyond MII?
- Management Team?
 - Advisors? Board of Directors?

After presentation of the preliminary scores and discussion of applications at the MII Review Committee Meeting, applications will receive a final score based on an average of scores provided by the MII Review Committee Members.

All Applications will be evaluated with consideration of their final scores and recommended to the MII Board of Directors for review and final approval approximately 75 days (about 2 and a half months) after the initial submission.

Site Miners will have access to the reviewer comments, final scores, and recommendations for Board consideration with enough time to help applicants prepare a resubmission.

All Applications recommended for funding by the Executive Director will be considered by the Maryland Innovation Initiative Board of Directors.

Review Criteria:

Applicants will be evaluated based on their ability to address ***each criterion listed in sections A through E of the Company Formation proposal in their Full Application***. Scoring consideration will be contingent on how completely the applicant has provided information requested for each section and how convincingly the applicant has made a case for the commercial opportunity based on the subject Technology.

For all applicants who have received prior Technology Assessment funding, the MII staff and reviewers will consider the outcomes of the prior awards, and the CEO's ability to meet the stated timelines and execute on the plan. Moreover, the applicant's ability to meet the program requirements on a prompt basis, including the milestones, mid-term reporting, and final reporting (including accounting and budget submissions) may also be considered when evaluating applications.

Scoring:

Reviewers will use the following system for scoring applications and are strongly encouraged to reference the [MII Review Rubric](#) to support their evaluation of proposals across each scored section:

1 – Poor	2 – Fair	3 – Good	4 – Excellent
The application does not meet expectations. Lacks clarity, detail, or relevance. Significant improvements are needed.	The application partially meets expectations. Some clarity and detail are present but lacks key components. Several areas require improvement.	The application meets expectations. Clear and detailed with most components covered. Minor improvements are recommended.	The application exceeds expectations. Very clear, comprehensive, and well-organized. All components are thoroughly addressed with strong evidence.

Application and Review Date Schedule FY2025 – Technology Assessment Presentations:

(Final Dates and times will be assigned by the MII Staff)

Application Cycle Deadlines	Review Meetings 9:30am – 2:30pm
7/15/2024	9/3/2024 (IT/physical sciences)
	9/5/2024 (life sciences)
10/15/2024	12/3/2024 (IT/physical sciences)
	12/5/2024 (life sciences)
1/15/2025	3/4/2025 (IT/physical -sciences)
	3/6/2025 (life sciences)
4/15/2025	6/3/2025 (IT/physical -sciences)
	6/5/2025 (life sciences)

Closing and Award Payments:

Once a project has been approved, an agreement will be executed with the Company and **the CEO will be asked to immediately start working on the Project**. The agreement will detail the award conditions and include an agreed upon number of mid-term and final milestones for each project and the dates that Mid-term and final project reports (as described below) are due.

All CEO's are expected to present at TEDCO offices or virtually at MII's option for the mid-term review. Details will be sent about one month before the project's mid-term, based on the date of the executed agreement. The CEO must know the start date (the signed agreement date) and the end data of their Company Formation project.

Any changes to the original, approved budget must be submitted to the online award management system and approved by the Program Manager, *in advance*. The final expense report must match, including subcategories, the approved budget, within plus/minus 10% to be approved.

Award payments for Company Formation projects will be made as follows: 25% following execution of the agreement, 50% upon submission and approval of a Mid-term presentation and the successful completion of approved milestones, and 25% upon submission and approval of a Final Report.

In all cases, any unused funds must be returned to TEDCO serving in its capacity as the administrator of the Program.

Reporting Requirements:

Each entity involved in the proposed project in the submitted application is expected to meet the reporting timelines and milestones, as submitted by the CEO, who will be held accountable as part of the mid-term and final report review. Also, the execution of any subcontracts and joint arrangements included in an application are ultimately the CEO's responsibility.

Company Formation awardees must submit the following reports to MII including:

Program Manager Meetings – each applicant must meet with the MII Program Manager at least twice, once before the mid-term and project end. This is to assist each awardee in understanding and meeting expectations for the program. This is also an opportunity for the awardee to share feedback, discuss ideas and ask for additional assistance. *Three touch points will occur during the award.*

Mid-term Reports, (PowerPoint presentation at TEDCO offices or virtually at MII's option) which must include a description of project activities and results to date, the progress toward meeting mid-term milestones, an accounting of expenditures charged to the award, and details on the proposed Commercialization Plan progress and budget – MII will expect copies of the slides one week in advance of the Mid-term presentation.

Final Report, (limited to 5 single-sided pages) which must include:

- An Overview of all activities undertaken during the funded project.
- A description of the results of the project and the success in achieving the milestones listed in Exhibit A (the application).
- The impact of the milestone results on commercialization.
- A report of all Project expenditures incurred, from the accounting department. Please note that the final accounting budget must match the approved project budget, including subcategories, within 10% of approved totals.
- An indication of any follow-on funding related to commercialization being pursued as a result of the MII award. (NSF-SBIR, outside investments, etc.)
- The number of employees, including name and title.
- A summary of annual revenues.
- Program feedback.

Economic Impact Reports, which must be provided on a Quarterly basis for a period of ten (10) years following the award date of the last completed Phase funded through the Program.

Program Information:

Inquiries regarding the Maryland Innovation Initiative program should be directed to MII@tedcmd.com:

- Executive Director – Abi Kulshreshtha, PhD
- Senior Program Manager – Griffin St Louis
- Assistant Manager – Silvia Goncalves
- Administrative Coordinator – Valery Gutierrez

All administrative, contractual, and accounting questions should be addressed to Silvia Goncalves.

Appendix A: Budget

The Company Formation budget (maximum \$300,000) must be entered separately into the AmpliFund spread sheet in tabular form as indicated in the example below, and each line item should be classified into one of the following categories and clearly indicated in the budget.

- a. Personnel – Salaries,
- b. Personnel – Fringe Benefits,
- c. Equipment,
- d. Materials & Supplies,
- e. Other Direct Costs, and
- f. Indirect Costs,

Example of a budget with category headings and sample line items:

BUDGET ITEM	AMOUNT
Personnel - Salaries	
CEO	50,000
COO	40,000
Software engineer/product manager	24,000
Personnel – Fringe Benefits	
CEO	19,800
COO	6,600
Software engineer/product manager	10,000
Health Insurance	
Equipment	
Centrifuge	2,400
Computer/Software	
Materials and Supplies	
Cell Lines	10,000
Pipettes/Glassware	1,200
Prototype design / Animal Study Costs	18,000
Other Direct Costs	
Machining /Manufacturing Costs	20,000
Subcontract to Acme, Inc.	28,000
Subcontract to Consultants	10,000
Indirect Costs (up to 20%)	
Patent Expenses	30,000
Overhead Expenses	30,000
TOTAL PROJECT BUDGET	300,000

Up to \$60,000 of the Company Formation awards/investments may be used by Start-up Companies for Indirect Costs. *Notably, up to 50% of such costs (i.e., \$30,000 of the award/investment amount) may be used to pay a Qualified Institution for patent or licensing costs.* Any domestic travel expenses must be detailed and justified as critical to the project and included as part of the Indirect Costs portion of the budget. International travel is not an allowable expense.