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Eligibility

- Q. Are out of state for-profit companies eligible to participate?**
- A. Out-of-state companies that are authorized to transact business in Michigan and either relocate to Michigan, establish a significant portion of their business in Michigan, or have substantially all of its employees in Michigan at or before the time award agreements are entered into are eligible to apply. Furthermore, if the Primary Contact on an award relocates outside of Michigan during the award period, the recipient organization must identify an alternate Primary Contact or a Michigan-based collaborator to take over the direction of the award. If such arrangements are not feasible, the award will be rescinded.
- Q. Are training or education programs eligible for funding under the 2008 Commercialization Business Plan Competition?**
- A. No. The 2008 Commercialization Business Plan Competition is not soliciting applications for educational or training programs

Funding

- Q. What determines whether the funding is in the form of a straight or convertible loan?**
- A. This is negotiated between the SEIC Board and the applicant.
- Q. Will any applicant be eligible to receive grants under the 2008 Commercialization Business Plan Competition?**
- A. No.

Q. Is there a limit to the amount of funding a company can request? Will the amount requested adversely affect the application success?

A. There is no limit to the funding request, but it is important to note that a maximum of \$30 million is available in 2008. The program is expected to be extremely competitive and the higher the funding request, the better the application will have to be to justify an award. It will be up to the applicant to clearly convey that the application and project merits the amount requested.

Q. What is the average funding level?

A. Awards made for commercialization activities under the 21st Century Jobs Fund's 2006 competition ranged from \$500,000 to \$6.2 million, with the average award being \$1.8 million. Under the former Michigan Life Sciences Corridor/Technology Tri-Corridor programs, awards have ranged from \$200,000 to \$3.6 million, with the average award being \$1.3 million.

Q. Is the amount of funding that is requested in an application final or will the amount be negotiated?

A. Through the independent peer review process, the peer review team has the authority to recommend budget adjustments to the SEIC Board. The SEIC Board has final decision making authority on these recommendations.

Q. If the application is successful, when will the funding be in place?

A. This is on a case-by-case basis and is subject to the contract negotiation process and successful completion of a due diligence review. The negotiations and due diligence review will begin after the final award decisions have been announced at the SEIC Board Meeting in September 2008. Depending on the timeline for negotiations, the funds could be disbursed anytime after the due diligence review is successfully completed, contract negotiations are finalized and the contracts are signed.

The advice we have for all awardees is to have the due diligence material organized and submitted by the due date and review the award agreement template ahead of time and be prepared to discuss it as well as your proposed milestones and budgets when the MEDC contacts you to start

the negotiation process. If necessary, consult with professional advisors who are familiar with your business and the award agreement terms.

Confidentiality

Q. For what type of information may confidentiality be requested?

A. Applicants may request confidential treatment for “financial or proprietary information,” which is defined as “information that has not been publicly disseminated or which is unavailable from other sources, the release of which might cause competitive harm”.

Unless considered proprietary in nature, routine financial information cannot be acknowledged as confidential.

Q. How must the Applicant identify information that it desires to be designated as confidential by the MSF Board?

A. Applicants may request confidential treatment for “financial or proprietary information” contained within application submission materials that meets the definition of “financial or proprietary information” contained in the MSF Act. Such information **MUST** be identified directly within the material submitted by applicants by the following requirements:

1. Identify each component and portion of the narrative for which you are requesting confidentiality.

Text, tables or graphics MUST be bolded and marked with asterisks and brackets (*[bold if text]*) within the narrative.

2. Identify the attachment and the portion of the document for which you are requesting confidentiality.

Text, tables or graphics MUST be bolded and marked with asterisks and brackets (*[bold if text]*) on the attachment. If you are requesting confidentiality for portions of a multi-page document, such as the Business Plan, you MUST also list the page numbers of all pages that contain information marked by asterisks and bold brackets.

Note: Applicants are advised that all information contained within the abstract is subject to disclosure under the Michigan Freedom of Information Act.

Applications that fail to differentiate truly proprietary information from public information by indiscriminately labeling large sections or entire applications as proprietary cannot be properly protected and will be returned to the applicant without review and may result in disqualification. Watermarks, footers and headers that state “Confidential” or similar general indications will be construed to be an indiscriminate labeling of confidential information and will not be acknowledged.

Financial Contributions and Collaboration

Q. What proof is needed to demonstrate a financial match?

A. Letters of financial commitment are required from those who will provide, or those who have provided, matching money to the proposed project. In each case, the letter must indicate the following:

- The source of the matching money
- Why and how the source is capable of adding value in addition to the value of the matching money
- The amount of the match
- The date the match was provided or is to be provided
- The terms of the matching money
- The actual and anticipated support of the company the source has and will provide

The absence of such letter will be interpreted as the absence of matching money. The peer review experts will be contacting investors and/or collaborators for verification.

Q. Should an application be submitted if the Letters of Financial Commitment have not been received?

A. No. Letters of financial commitment must be uploaded as Portable Document Format (.pdf) files in the Collaborator Letter of Support section of the web-based Awards Management System prior to submission of the application.

Q. Is collaboration with non-Michigan-based entities permitted?

A. Collaboration with non-Michigan-based entities is permitted if the applicant can demonstrate that the collaborator (1) provides access to specialized

resources, scientific, technical, and commercial expertise that are not readily available in Michigan, and (2) ultimately benefits Michigan in a manner consistent with the intent of the 21st Century Jobs Fund.

Q. Is there a maximum number of collaborating organizations allowed?

A. No. However, Applicants are advised that the SEIC Board consists of 19 members. Any action of the SEIC Board, including making an award to a successful applicant, requires the vote of 10 members.

While collaboration is highly encouraged, it is each applicant's responsibility to determine: (1) how many collaborating entities a proposal should include; (2) whether any of those collaborating entities will result in the recusal of a SEIC Board member because of an actual or apparent conflict of interest; and (3) how to structure the proposal to ensure that at least ten SEIC Board members will be available to vote on the proposal.

Failure to properly consider this issue may result in an application not being considered for approval by the SEIC Board.

Conflicts with SEIC Board members must be identified during the application submission process within the Conflict of Interest section of the MEDC's Awards Management System.

Review Process

Q. How does the peer review process work?

A. Applications will be evaluated by independent peer review experts with business expertise and experience in areas such as venture capital investments, business creation and business growth scenarios, and technology commercialization. Additionally, peer reviewers will have specific expertise relevant to the appropriate four competitive edge technology sectors.

Results from the first round of independent peer review will be in the form of numerical scores and recommendations to the SEIC Board. Successful applicants will be invited to participate in the oral interview round. Results from the interview round of independent peer review will be in the form of numerical scores and recommendations to the SEIC Board for final award decisions.

All applications are expected to demonstrate a viable, sustainable business opportunity with near term job creation—five (5) years or less and will be scored and ranked based on four equally-weighted, legislatively-mandated criteria.

Q. Is there a limit to the size of company that can apply?

A. No. Provided other eligibility criteria are met, there is no limit to the size of a company that applies, or a collaborating partner, in terms of employees, revenues or profits.