

# **MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION STATEWIDE PROGRAM GUIDELINES**

## **IN GENERAL**

- The Michigan Translational Research and Commercialization Statewide Program (the “MTRAC Statewide Program”) is created pursuant to Section 88o of the MSF Act, MCL 125.2088o, to 1) encourage and work with the State of Michigan’s public universities to identify commercial potential in advanced technologies from individual institutions of higher education; 2) facilitate the bundling of inventions from individual institutions of higher education into packages that could be of interest to private sector firms looking for commercialization opportunities; 3) encourage business formation efforts in institution of higher education technology transfer offices to increase the number of institution of higher education related start-up companies; 4) encourage institutions of higher education to provide their faculty with incentives for participating in the technology transfer and commercialization activities; and 5) facilitate the use of applied research expertise within institutions of higher education by qualified businesses.
- In furtherance of these objectives, the Michigan Strategic Fund (“MSF”) wishes to provide grant funding to up to five (5) Innovation Hubs (defined below) to accelerate technology transfer from Michigan’s institutions of higher education, non-profit research centers and hospital systems for commercialization of competitive edge technologies, as defined in Section 88a of the MSF Act, MCL 125.2088a et seq., to the private sector.

## **ELIGIBILITY REQUIREMENTS OF INNOVATION HUBS**

In order to be designated as an Innovation Hub and to receive funding from the MSF under the MTRAC Statewide Program, an applicant must meet all of the following criteria:

- Be a state research university with a designated technology transfer office;
- Can meet or exceed the following metrics at the Innovation Hub or a Subawardee (defined below), or a combination thereof: 1) create a minimum of five (5) jobs; 2) create a minimum of two (2) start-up companies; 3) issue a minimum of three (3) licenses to corporate partners; and 4) obtain a minimum of \$2,000,000 in follow on funding.
- Demonstrated expertise in one of the following five key areas: Bio-Medical Sciences, Life Sciences, Advanced Transportation, Advanced Materials or Agriculture-Biology.
- Demonstrate a 1:1 financial match from the state research university with which the designated technology transfer office is affiliated.
- Maintain an annual Request for Proposals or alternative competitive process in which proposals can be submitted to the Innovation Hub from internal faculty of the state research university with which the Innovation Hub is affiliated, other Innovation Hubs, institutions of higher education, non-profit research centers and hospital systems throughout the State of

Michigan (the “Subawardee(s)”) for funding of Eligible Technology Transfer Activities (defined below).

- Have a Commercialization Program Director (“CPD”) who is responsible for program management, oversight and reporting to ensure program efficiency and future success.
- Have an Oversight Committee comprised of industry experts and investment professionals to review and score proposals, provide commercialization goals and milestones to projects, vote on project awards and mentor projects to completion.
- Demonstrate a commitment from the state research university with which the Innovation Hub is affiliated to support the commercialization of advanced technologies and bio economy technologies on a statewide basis through the collaboration with other Innovation Hubs, industry, institutions of higher education, research centers and hospital systems throughout the State of Michigan.

#### **SUBAWARDEE ELIGIBILITY REQUIREMENTS**

In order to apply for project funding from the Innovation Hub, a Subawardee must meet all of the following criteria:

- Be a Michigan institution of higher education, non-profit research center or hospital system.
- Propose a project that encompasses supporting translational research into a commercial market related to competitive edge technologies as defined in Section 88a of the MSF Act, MCL 125.2088a et seq., with the outcome being a new startup company or a license to a corporate partner (“Eligible Technology Transfer Activities”).
- Adhere to the Innovation Hub submission and reporting requirements and timelines.
- Demonstrate a 1:1 financial match in its request for funding to the Innovation Hub.
- Provide a project manager to assist in budget and milestone management.

#### **ADDITIONAL PROGRAM DETAILS**

- The MEDC provides administrative services to the MSF for the program, including conducting due diligence and compliance processes, and promoting the collaboration of Innovation Hubs with institutions of higher education, non-profit research centers, and hospital systems.
- The grant to a research university to for an Innovation Hub shall be performance based. The research university managing an Innovation Hub may apply for additional funding every two years, within three months prior to the current grant period end date. A grant award, for the continuation of the Innovation Hub activities, will be based on the Innovation Hub receiving at least an 80% score on the Scoring Criteria Worksheet, successful completion of the

requirements, including but not limited to milestones and budget from a previous award and will include submission of detailed annual program milestones, metrics and budgets.

- The designation as an Innovation Hub and its ability to receive funding from the MSF under the MTRAC Statewide Program is valid for a period not to exceed six (6) years from date of designation. The state research university with which the Innovation Hub is affiliated may reapply to be designated as an Innovation Hub upon expiration of its six (6) year designation.
- All MSF Support will be memorialized in a final written grant with terms and conditions in accordance with these guidelines and otherwise satisfactory to the MSF, including without limitation, requiring performance based milestones which shall govern disbursements; and requiring periodic reporting of data, financial information, and any other information required to facilitate reporting to the MSF Board and the Michigan legislature, including periodic reporting after completion of a project and repayment for misappropriation, event of default, or other actions or activities prohibited under the MSF Act.
- All decisions for MSF Support are subject to approval of the full MSF Board and available funding.