SC FRAUNHOFER USA ALLIANCE

SC COUNCIL ON COMPETITIVENESS | SOUTH CAROLINA DEPT. OF COMMERCE | Fraunhofer USA

SC Fraunhofer USA Alliance Application Package

As part of its mission to drive innovation in the South Carolina business community, SC Competes' SC Fraunhofer USA Alliance (the Alliance) administers a matching grant program to encourage South Carolina businesses, universities, and Fraunhofer USA to collaborate on industry-based innovation projects that enhance their overall competitiveness.

Please review this information packet carefully, and contact Kelly Baird, Director, South Carolina Fraunhofer USA Alliance,SC Competes,at kbaird@sccompetes.org to start the Alliance project application process.

If you already have a developed project idea, please complete the Alliance Interest Form (click here).

1. **Most Common Project Models**

A SC organization (Client) joins with a project team composed of a SC-based college or university and Fraunhofer USA research expertise. This makes up the Project Team for that application.

2. **Funding**

The Alliance provides a 50% cash match of the full project budget with funding from the SC Department of Commerce (SC Commerce). The applying company (Client) provides the remaining 50% funding.

Effective July 1, 2022, a 10% administrative fee will be applied to the overall project budget that supports the ongoing programmatic management of the SC Fraunhofer USA Alliance program. Payment of this fee will be equally borne by the Client and by SC Commerce (which means the company pays 5% and SC Commerce pays the remaining 5% of the administrative fee). This fee is to be included by the Client and/or the PI in the downloadable budget template included in the application documents.

Note: In-kind commitments such as company staff and materials for the project are encouraged but are not included as part of the cash match requirement.

2. **Eligibility**

Organizations are eligible for applying if they fall into one of the following categories, and commit to the 50% funding requirement:

- Existing Company with a presence in South Carolina (headquartered, branch offices, any number of employees, any size of physical facility)
- New Company that has committed to locate in South Carolina
- Colleges and Universities located in South Carolina

3. Project Submission & Approval Process

Applications can be submitted online at https://www.sccompetes.org/job/sc-fraunhofer-usa-application.

Grant applications are reviewed, and recommendations for funding are made by the Alliance Review Board. Applications are reviewed on a rolling basis.

Required documents to include with an application are available to download on the Alliance webpage:

- Completed application narrative
- Completed budget
- University Authorization Form
- Project Assessment Form

Optional:

- Additional documents, photos, or videos to support the project narrative (limit of 10MB per attachment)

Once an application is submitted, it is sent to the Alliance Review Board, which is composed of industry leaders and representation from the SC Department of Commerce, and administered by SC Competes. If the board reaches a majority decision that the project proposal should be recommended for funding, the Client will be notified directly regarding next steps. If a project is not approved, the Client will be notified as such and may be invited to resubmit in the future.

4. Project Assessment Form & Assessment Criteria

The Project Assessment Form is completed by the Client as part of the application. The Client's self assessment score is then combined with scoring by the SC Department of Commerce and Fraunhofer USA and the cumulative score is presented to the Alliance Review Board as part of the project review for funding.

Project Assessment Criteria

Project proposals will be assessed using seven weighted criteria, resulting in a cumulative score. The more direct impact on the SC economy, the better the project. The criteria and their respective weighting are as follows:

- 30%: Does the project enhance the Client's competitiveness and lead to additional job creation?
- 20%: Does the proposed project match the Alliance's competencies/capabilities?
- 15%: Does the project offer other positive secondary impacts? (Example: Is a supply chain

strengthened? Will employee skills be enhanced and justify higher wages?)

- 10%: Does the project offer strategic benefits to overall state goals, such as supporting small and medium-sized enterprises, rural-based companies, growing technology sector, life sciences, etc.
- 10%: Is the organization operating and/or does it have a substantial investment, presence, or workforce in South Carolina?
- 10%: Does the project address one or more of South Carolina's strategic industries targeted for expansion by SC Commerce? (Projects that build success stories in manufacturing, advanced energy, life sciences, or supply chain logistics are preferred.)
- 5%: Can the project serve as a showcase to attract new domestic and international business to South Carolina?

5. Post-Approval Steps

The Alliance Review Board will advise all relevant parties on project results following the Alliance Review Board meeting(s). Once projects are recommended by the Alliance Review Board, approved for funding by SC Commerce, and the required contracts are in place, it is typical that 50% of the project funds are distributed to start the project. **The Client agrees to have their project team logos and project title (determined by the Client), posted on the SC Competes webpage.**

6. Ongoing Project Life-Cycle Process

Throughout the project life cycle, ongoing Client testimonials and Project Team assessments will be required to assess project performance. The Alliance Review Board will review and provide feedback on ongoing project milestones and results. In the case of dissatisfactory project results, concurrent funding should be delayed or discontinued until such time as project results are considered to be achieved and/or the project is discontinued.

7. Intellectual Property ("IP") rights

Given the significant public investment, the applicant company does not obtain ownership of all IP rights. Each project participant will retain ownership of the IP generated by their respective personnel working on the project. The applicant company will typically receive, at a minimum, a non-exclusive usage right to the foreground intellectual property conceived in the performance of the project for internal research and development.

To continue research without limitations, the participating SC academic institution and Fraunhofer generally will not be "giving away" all rights. The ownership of background IP and newly developed IP is typically laid out in advance in a "swim lane" diagram so all parties understand the allocation and ownership rights that may be developed through the project.

The Project Team and all its participants recognize that under university policy, the results of the project

must be publishable and agrees that researchers engaged in the project shall be permitted to present at symposia, national or regional professional meetings, and to publish in journals, theses or dissertations, or otherwise of their own choosing, the methods and results of the project. Participants will be provided copies of any proposed release a minimum of 30 days prior to any publication for review and comment. The university will remove any confidential information of participants and delay publication up to 90 days to protect patentable subject matter.

8. Liability and Warranties

As an applied research project by nature, no liability or warranties are granted by the Alliance. Therefore, Fraunhofer USA and the SC academic institutions cannot grant any expressed or implied warranties and, moreover, will expressly disclaim at least the following warranties: merchantability, fitness for a particular purpose, and non-infringement of intellectual property owned by a third party. Companies should not treat or consider the Alliance and participating research entities as vendors of products or services, but as research entities.

9. Indemnification

Fraunhofer USA and the SC academic institutions are nonprofit entities. Therefore, Fraunhofer USA and the institutions are not structured or insured such that any of these entities could undertake an indemnification obligation. Moreover, any participating SC public college or university is expressly prohibited by SC state law from indemnifying others.

For more information, please contact Kelly Baird, Director, SC Competes' SC Fraunhofer USA Alliance, at kbaird@sccompetes.org, (864)787-8739 or Dr. Marcel Schaefer at mschaefer@fraunhofer.org or visit www.sccompetes.org/clusters-initiative/cluster/sc-fraunhofer-usa-alliance/ for detailed information and resources.