SC Fraunhofer USA Alliance Application Package

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

Enclosed please find the application package for funding through the SC Fraunhofer USA Alliance (SCFUSA). We strongly suggest that prior to starting the application process, that the applicant contact Kelly Baird, Senior Program Manager of the SC Fraunhofer USA Alliance at SC Competes (kbaird@sccompetes.org).

1. **Funding**

SCFUSA provides a 50% cash match (50% of full project budget). The applying company (Client) must provide the other 50% funding.

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

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

2. **Eligibility**

The below eligible applicants can apply for matching funds and must commit a cash match to be eligible.

- Existing companies (both non-profit or for-profit) with any presence in South Carolina (headquartered, branch offices, any number of employees, any size of physical facility)
- New companies that have chosen to locate in South Carolina are eligible to apply and can be eligible for a business development voucher to offset
- Colleges and universities

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 - provided by the South Carolina Department of Commerce - are made by the SC Fraunhofer USA Review Board on a regular/rolling basis.

Required documents to include in application, all available for download on the SCFUSA webpage:

- Completed application narrative

- Completed budget
- University Authorization Form (If the project includes the participation from a college or university)

Optional:

- Project Assessment Form (required prior to funding, see below)
- 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 review board. If the board reaches a majority decision that the project proposal should be recommended for approval, the submitting party will be notified directly regarding next steps. If a project is not approved, the submitting party will be notified as such and may be invited to resubmit in the future.

4. Project Assessment Form

The Project Assessment Form is completed by the Applicant, the SC Department of Commerce, and Fraunhofer USA and is used to score each project. This score is critical to the review and decision on the proposed project. We highly recommend that applicants submit their Project Assessment with the required application forms (listed above), however, they can also complete the Project Assessment after submission, before the review board begins their review process.

Project Assessment Form Criteria

Project proposals will be assessed using seven criteria and each criteria is weighted – resulting in a cumulative score. The more direct impact on the SC economy, the better the project. Criteria and its respective weighting 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 collective 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 enterprises, rural-based companies, growing technology sector, 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 for Commerce? (Projects that build success stories in Manufacturing, Healthcare, or Shipping and 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 SCFUSA Review Board will advise all relevant parties on project results immediately following SCFUSA Review Board meeting(s). Once projects are recommended for approval by the Review Board, it is recommended that 50% of funds be distributed to start the project. **The company agrees to have their project (and project team logos) including a title (of the company's preference) posted on the SC Competes webpage.**

6. Ongoing Project Life-Cycle Process

Throughout the project life-cycle, ongoing client testimonial and faculty team assessments will be required to assess project performance. The SCFUSA Review Board will review and provide feedback on ongoing projects' 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 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 participants 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 are 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.

Participant recognizes 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, methods and results of project. Participants will be provided copies of any proposed release at minimum 30 days prior to release 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 with Alliance. Therefore, Fraunhofer 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 and the SC academic institutions are nonprofit entities. Therefore, Fraunhofer and the universities 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 at kbaird@sccompetes.org or Dr. Marcel Schaefer at mschaefer@fraunhofer.org or visit www.sccompetes.org/clusters-initiative/cluster/sc-fraunhofer-usa-alliance/.