



## Demonstration Grant Eligibility and Criteria

### About SCRA

Chartered in 1983 by the State of South Carolina as a public, non-profit corporation, SCRA fuels South Carolina's Innovation Economy by accelerating technology-enabled growth in research, academia, entrepreneurship, and industry. SCRA supports its stakeholders in key technology sectors, which include but are not limited to, Advanced Materials/ Manufacturing; Life Sciences; and Information Technology. SCRA grant funding is made possible, in part, by Industry Partnership Fund (IPF) contributions. Contributors receive a dollar-for-dollar South Carolina income tax credit, making it a no-cost way to create a direct, positive economic effect and job creation.

### Grant Objective

There are two types of Demonstration Grants with slightly different objectives:

- The objective of a **Small Business Demonstration Grant** is to provide a valuable solution to a corporate partner and a significant growth opportunity for a small business by developing a new product, distribution channel, customer, market, etc. The grant supports a matching monetary or in-kind investment by a corporate entity into a project with a small business.
- The objective of an **Academic Institution Demonstration Grant** is to develop a solution to an industry challenge and a new research platform capability at the academic institution. The grant supports a matching monetary or in-kind investment by a corporate entity or other funding source into a project at an academic institution.

### Eligibility Criteria

The entity receiving the Demonstration Grant must be either:

- a) A small business registered as a for-profit business with the SC Secretary of State, with its principal place of business in South Carolina, or at least 51% of its full-time equivalent employees located within the state. (Sole proprietorships or individuals working alone are not eligible.); or
- b) A South Carolina academic institution.

### Funding Amount & Use of Funds

- Demonstration Grants are limited to \$50,000.
- All Demonstration Grants require at least one-for-one matching funding from an industry partner or another source.
- SCRA may choose to distribute the funds in a stage-gate manner (with a maximum of two (2) tranches) corresponding with defined milestones. The second distribution of funds will take place under the condition that the milestone(s) associated with the first distribution is met.
- Excluded from the Use of Funds are the following: rent, licensing fees, legal fees, reimbursement of past expenses, and profit/fee.
- Additional Funding may be awarded upon approval of the Director of Industry Solutions.

### Application Process

- Interested applicants should contact the SC Industry Solutions Team to discuss their projects.
- For projects that pass initial review, the assigned SCRA Relationship Manager will invite the appropriate entity to complete an application for funding.
- When all requested documentation is submitted, the project is fully defined, and the matching funding is confirmed, the requesting entity will be invited to present their funding request to the SC Industry Solutions Team.
- Following the meeting, applicants will receive notification of SCRA's decision and next steps. This typically occurs within one week.
- If approved, awards are typically funded within 30 calendar days after notification.

## Review Criteria

- **Technology Sector:** The project is aligned with SCRA's key technology sectors, which include but are not limited to, Advanced Materials/ Manufacturing; Life Sciences; and Information Technology.
- **Funding:** The project has a minimum of one-for-one matching funds from an industry partner or other source.
- **Technical Viability:** The project aims to solve an industry challenge as well as either accelerate the growth of a small business or establish a sustainable, new platform capability at an SC academic institution.
- **Management Team:** The project will be led by experienced team members and/or advisors. Further, if the applicant is a small business, its founders should have proven an intention to devote 100% of their time to the company either currently or in the foreseeable future or identified the highly qualified people to do so.
- **Market Viability:** If the project involves a small company, the funded project will achieve critical commercialization milestones leading to further commitment by the industry partner.
- **Impact:** There is potential to create economic impact such as new jobs, new solutions for industry, recurring revenue, follow-on funding, or a new platform research capability at a university etc.
- **Use of Funds:** The proposed use of funds aligns with the objectives of the grant. Clear milestones and deliverables are outlined in the project plan.

## Reporting Requirements

- **Grant Final Report:** The recipient must complete a Grant Final Report within thirty (30) days after the end of the Performance Period. This report documents deliverables and outcomes of the project and will be referenced should the recipient request additional funding from SCRA.
- **SCRA Annual Questionnaire:** Annually, the recipient must complete SCRA's Economic Impact Data Questionnaire. The questionnaire is essential in that it measures the economic impact of SCRA on South Carolina's economy in compliance with SCRA's legislative reporting mandate. The information is aggregated and does not reveal individual recipient information.

## Terms and Conditions

- **Performance Period:** All proposed activities must be completed within the stated performance period in the Grant Agreement. Where circumstances warrant, the recipient may request an extension in writing.
- **Acknowledgement of SCRA Funding:** Awardees should acknowledge SCRA as a funding source in publications and news releases. Acknowledgement language must be reviewed by SCRA prior to publication. Published documents should be shared with SCRA via the Relationship Manager.
- **Tax Reporting:** SCRA grants may be reportable income via a 1099 in the year funds are received.
- **Animal or Human Studies:** If research involves either animal or human subjects, the grant recipient must assure compliance with the prevailing national and institutional guidelines for animal and human studies.

## Additional Terms and Conditions for Small Companies

- **Relocation:** The company agrees to reimburse all the awarded funds to SCRA if it leaves South Carolina within twelve (12) months of the final distribution of funds.
- **Investment Participation:** SCRA's investment affiliate, SC Launch, Inc., will have a reasonable right to purchase any future offered securities up to the amount of the Grant multiplied by four ("4x Grant Amount"), on uniform terms and conditions with other investors.

## South Carolina Freedom of Information Act

Information provided by the applicant will be treated by SCRA as business sensitive, and SCRA will make all reasonable efforts to protect this information when disclosure is not legally required. However, SCRA is subject to the South Carolina Freedom of Information Act (FOIA), and the applicant should not disclose to SCRA any information that would negatively affect its ability to obtain intellectual property protection or undermine other business efforts. This applies to all verbal or written material.

## For Additional Information

Inquiries about the Demonstration Grant should be addressed to the Operations Manager at [apply@scra.org](mailto:apply@scra.org)