

Biotechnology Development Program – Awards FAQ

July 30, 2010

What is the deadline for applications?

We will have two submission and review opportunities for FY2011 funds. The deadlines are:

Application Deadlines	Sept. 15, 2010	Feb. 1, 2011
Presentation Notification	Sept. 29, 2010	Feb. 15, 2011
Scheduled Applicant Presentations	Oct. 15-29, 2010	March 4-18, 2011
Award Notifications	Nov. 5, 2010	March 25, 2011

Can I include Pictures & Figures?

Applications should stress written content over numerous figures and pictures. Figures and pictures, if necessary, can be included as attachments. They should be labeled with a short caption, and referred to in the text by the label. All company applications must be accompanied by a full business plan (as an attachment) and figures and pictures may be included within as well.

Where do I include my CV?

We are not asking for a resume or CV. A brief description of the applicant's history and capabilities should appear in the business plan.

The 1000 word limit doesn't fit in the table cell provided.

This was a problem with the original applications from FY2010, but that problem has been corrected. If you have such an application, please go to the Maryland Biotechnology Center's website and download this year's applications.

What are the reporting requirements?

We have not finalized the reporting requirements. We are sensitive to the time demands of the companies and universities and will therefore not have extensive reporting requirements. Reporting requirements will be discussed at the time of presentations and detailed in the final contract.

Is it a firm policy to pay no overhead for academic institutions?

To maximize the benefit to technology commercialization of the limited research and development funds we have, we will not pay overhead to academic institutions.

Payback of 2x over 5 years is a significant expense for companies that already have enough revenue to repay at the maximum rate.

This is identical to the payback requirement for TEDCO awards, which have been very successfully used by many Maryland companies. The payback is capped each year at 40% of the award, with a maximum payback of 2x. This funding is targeted to early-stage companies, almost all of which are pre-revenue or with minimal revenue. With the Commercialization Awards capped at 5-year obligation, most companies that receive the awards will not pay back a fraction of the award. The Translational Research awards, targeted at much earlier stage research, and therefore riskier, has a 10-year payback term. But the early-stage nature of those projects make it very unlikely that those award recipients will have revenue for many years, reducing the net-present value of any payback significantly.

While at first glance this may appear to be a “significant” expense, the calculated *maximum effective annualized rate* (representing the highest payback impact) is approximately 29%. Other payback scenarios are significantly less. This is not unreasonable for an uncollateralized, high-risk investment.

Will you allow companies to repay the amount of the award up to one year after the completion of the project with no further obligation, as in the TEDCO awards?

The Center awards will not have such a one-year interest-free option. For early stage companies, working capital is critical for continued operation. If a company has no revenue in the first year after completion of the award, the effective annual interest rate for the awards is 20% or less. For an aggressively-growing company, this is an unusually low rate for an uncollateralized, high-risk investment.

Am I eligible for the Biotechnology Commercialization Awards if I haven't had prior TEDCO, MIPS or MVF funding?

The intent of the Biotechnology Development Programs of the Maryland Biotechnology Center is not to duplicate the other excellent programs available to early and start-up companies that the State has to offer, but to allow a source of additional or follow-on funding in order to maximize the success of these early stage funding programs. TEDCO and MIPS are nationally recognized for their value to start-up companies, and they should be considered as a source of funding for start-up companies. To receive a Center award before receiving and completing one of these other programs, there should be a compelling reason why a company is requesting the Center's funding before availing themselves of the other State funding programs. This case should be explicitly stated in the application.

I am in the middle of a MIPS program currently? Am I eligible for MBC funding before my MIPS award is completed?

Our policy is not to provide two sources of State funding to fund aspects of the same project to one company concurrently. If, however, the application is for completely different project, it will be considered.

How do you want the proposals submitted? Can I send in a PDF file?

Applications may be submitted as Word documents or PDF files. It is IMPORTANT, however, that the non-confidential cover application form be submitted in a separate file than the confidential application detail form.