NCI Grant Program Policies – Overview

Deadlines

Unless otherwise specified on the website or RFP, NCI submission deadlines are at 11:59 pm ET on the date of the application deadline. This includes all stages of the program, including eligibility, pre-application, and full application. To ensure fairness among all applicants, no late submissions will be accepted except in the case of documentable major events such as hurricanes, power outages, and IT outages.

Grant Duration

Although one-year grants have previously been allowed, all future cycles of NCI grants will be two years in length. We anticipate this change will allow teams to develop more realistic timelines and recover from any unexpected delays.

Project Eligibility

- Applied researchers at all 16 UNC System universities are eligible for grants through NCI. Private companies are not eligible to serve as the lead institution.
- Institutions in the North Carolina Community Colleges System may participate in this program as a co-PI (with a lead university partner) and/or as a subawardee.
- Proposals must define a technology at a TRL of three or higher. Any proposed projects with a TRL of less than three will not be considered for funding and will not advance past the pre-proposal stage. This ensures that only projects with demonstrable potential for commercialization and scalability are considered.
- Proposals must clearly articulate project milestones and must be able to verify TRLs and completion of milestones.
- NCI is committed to remaining industry agnostic and accepts applications from all technology sectors.
- NCI prioritizes projects with the highest potential for commercialization and economic impact in NC.
- If a grantee is non-compliant with NCI policies and/or non-responsive to NCI feedback, this may result in delayed funding, delays in project completion, or ineligibility for future funding cycles.

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Limited Submissions Policy

NCI may limit the number of pre-application submissions per lead university for a given cycle. Universities that are subject to the limited submission policy will be notified. Faculty can reach out to their respective institutions and/or NCI Regional Director for information on their university policy.

Responsibilities of NCI

NCInnovation's role in the grants program includes the following:

- Establish and maintain all grants policies
- Ensure that NCI remains compliant with all state regulations
- Clearly outline and communicate all applications processes and procedures to universities and potential applicants
- Provide professional development opportunities for university faculty across the state
- Manage the grant program from end to end, including
    - Distributing the RFP
    - Setting deadlines
    - Managing all phases of the application process (pre-application, down selection, and full application)
    - Managing the review process
    - Providing all review and background materials to the Programs Committee of the Board of Directors for final selection of awards
    - Award announcement and distribution of funds
    - Monitoring post-award progress reporting
- Coordinate with the NC Collaboratory to transfer funds to awarded teams
- Certification of milestones (for two-year awards only and in collaboration with the university)
- Assist faculty in the post award phase by responding to questions, clearing obstacles to project progress, and assisting with funding agreement amendments as needed

Responsibilities of the Lead University

The lead university is responsible for ensuring that funded teams are compliant with NCI policies and with all local, state, and federal regulations. Working with universities across all regions of NC is a top priority for NCI, and we understand that many universities are resource constrained. We ask that universities notify us of any resource constraints that are impacting our work together so that we can collaborate on a solution.

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A typical breakdown of university responsibilities is as follows:

Offices of Sponsored Research

- Ensure compliance with application processes and policies
- Certify completion of milestones using NCI's documentation process
- Budget monitoring and compliance
- Ensure that project teams report any prior and/or duplicate funding
- Monitor for adherence to research ethics and COI policies
- Manage relationships with funding agencies (past & present)
- Coordinate with NCI's finance team to finalize funding agreements, assist with amendments to funding agreements

Offices of Technology Transfer and/or Commercialization

- Finalize IP protection
- Negotiate the use and/or value of IP
- License or sell invention
- Assist with down selection of pre-applications (in collaboration with other university leaders and staff as needed)

Pre-Award Policies

Deferring Full Application Invitation

A project team that is invited to submit a full application may choose to defer to the next grant cycle to submit a full application. This deferral can be for any reason and does not require any justification to be submitted to NCI. If a team has chosen to defer to the following cycle, NCI requests that the team notify their Regional/Hub Director so that NCI can appropriately accommodate and document the change in plans. Each team will be granted only one deferral.

Submitting Figures in Criterion I: Significance Section

NCI encourages applicants to include supporting figures within the Criterion 1: Significance section. Including figures as supporting documents is optional but encouraged. Please limit supporting documents to up to three files and six pages in total length.

This section could include such documents as:

- Abstracts and/or links to publications relevant to the innovation
- Proof of concept data
- A figure illustrating the technology
- A schematic, picture, diagram, or molecular structure of the innovation.
- A compelling chart or graph or other type of data that demonstrates both the current state of the innovation as well as the value of this technology to solve the customer problem.

Letters of Support

Note that the application form contains two different sections for uploading letters of support: one section for university and/or economic development partners, and one for industry partner(s). Each upload section allows for up to three single-page letters of support.

Supplemental Documents

Faculty may submit up to three additional supplemental documents (no more than 10 pages in total). If an applicant wishes to provide additional information not specifically requested in the application forms, supplemental materials may be submitted. However, this section is intended to provide necessary information only and should not be used to sidestep the length limits in other sections of the application. Reviewers will be given access to all supplemental materials, but NCI cannot guarantee that they will read them in their entirety.

Resubmitting Applications

For resubmitted applications, please include a summary of your responses to feedback on your previous submission, using the template provided. This summary should not exceed two pages and should be attached in the Supplemental Documents section. The summary of response to feedback does not count toward the page limit of the Supplemental Documents section.

Guidelines Regarding Project Commercialization Pathway

Applicants to NCI's grant program often seek clarity on whether NCI prioritizes certain commercialization pathways over others when making funding decisions. NCI's position is that there is no one-size-fits-all commercialization pathway and that it would be counterproductive to incentivize teams to take a non-ideal pathway just to remain eligible for NCI funding. However, when making funding decisions, NCI does consider which projects will generate the most substantial and sustained

economic benefit for North Carolina, regardless of whether commercialization occurs via startup formation, licensing, or partnership with existing companies. This means that in some cases, funding decisions may prioritize projects in which the university intends to grant an exclusive license to a startup or an established NC-based firm where appropriate.

Teams are advised to seek guidance from experienced technology transfer experts and/or EIRs to determine which pathway is most appropriate for the project.

Equipment Use

Any equipment purchased by the lead institution using NCI funds is subject to university policy and usually becomes public property managed by the university. NCI expects universities to establish equipment use policies that prioritize startup access for at least two years post-award, at free or reduced cost. These favorable arrangements for the startup should be documented during the negotiation of the licensing agreement whenever possible.

Whenever possible, equipment purchased with NCI funds should be made available in shared-use facilities to allow as many faculty as possible to use the equipment.

Budget Preparation and Use of Funds

Budget categories
Applicants must use the templates provided to develop their budgets and budget justifications. NCI does not set limits on how much of the budget is allocated to each budget category and instead asks that applicants create a budget that is appropriate for the defined scope of the project.

Budget categories include personnel; materials, supplies & equipment; travel; commercialization activities; and subawards. Please be sure to follow the guidance in the budget template to ensure all costs are placed in the correct category. In particular, *the EIR budget line must be included in the commercialization activities section rather than the personnel section*.

NCI funding cannot be used to cover F&A expenses (indirect costs).

Funding Amounts
NCI does not set a maximum funding amount per award. The budget request should be aligned with the scope of the project and will vary according to project duration, scope, region, and technology area.

Out-of-State Travel
Due to limitations associated with NCI's funding source, *NCI is not able to fund out-of-state travel*. We realize that this may cause hardship but unfortunately, we are not able to offer any flexibility with out-of-state travel at this time.

Out-of-State Tuition
NCI funds should not be used for undergraduate tuition. Any undergraduates participating in the project may be compensated through internships and/or an undergraduate research mechanism. For graduate students, out-of-state tuition is an allowable expense, though graduate students are encouraged to apply for residence if/when eligible.

Patent Expenses
NCInnovation will cover project-specific patent expenses, even if they are incurred prior to the start date of the funded project. This policy extends only to patents that are at the center of the NCI-funded work and does not include patents that pertain to other technologies that the grantee is working on. To request reimbursement of patent expenses, university staff may contact NCI's CFO (see Contact Information section).

Expenditures incurred before the project start date
Expenses incurred between the award announcement and the project start date are eligible to be covered by grant funds if the expenses are included in the budget and within the scope of the project. This will require the lead university to agree to an assumption of risk so that the grantee may begin spending before funds have been transferred.

Out-of-state partners and new hires
NCInnovation encourages grantees to prioritize recruiting partners and new hires from within NC when possible. However, the success of the project is NCI's top priority, so no limits are placed on hiring individuals outside of NC and/or working with partners outside of NC. Applicants are encouraged to choose the partners and employees who are the best fit for the project and provide the clearest path toward successful completion of milestones.

Review Process and Criteria

Pre-Application Review Process

Pre-applications will undergo a screening/down selection process in which NCI staff, in collaboration with lead institutions, will determine which projects best demonstrate strategic alignment with NCI's regional economic development goals, geographical distribution, and available budget. Teams whose pre-proposals are selected during this process will be invited to submit a full proposal. If the pre-application is not advanced to full application during this cycle, applicants are encouraged to work with their Regional Director to strengthen it going forward.

Full Application Review Process

Full proposals will be reviewed simultaneously by two different groups. The first is a set of external reviewers that will consist of four core reviewers that will score all the proposals received and two regional reviewers that will be specific to each NCI hub region. The second is a third-party review panel that will score the proposals according to market fit and the results of the statewide asset mapping exercise that NCI has been leading, in coordination with RTI. The NCI team will convene the reviewers at the end of these simultaneous scoring processes to come to consensus on a prioritization of proposals.

Submitters of full proposals may receive questions from the review panel during the review process and should be prepared to provide written responses within a week of receiving these questions.

The prioritized proposals will undergo an additional internal screening to balance NCI's funding portfolio according to geographical location, amount of funding available, and other considerations. The NCI Programs Committee will review final scores and submit a prioritized set of funding recommendations to the full NCI Board of Directors, which will have the opportunity to approve the funding recommendations. Once Board approval is complete, awardees will be notified.

Review Criteria

The following review criteria guide all stages of the review process, including down-selection of pre-applications and full review of full applications.

Criterion	Relevant Information	Top scores would include:
Quantitatively Assessed		
Significance	• Market Problem and Market Size • Value Proposition • Innovation • IP Protection • Supporting Documents	• Project addresses a clearly stated market need • The proposed solution is well differentiated from other alternatives on the market • Project is expected to have a significant positive economic and/or technology development impact. • The solution has a well-identified sustainable competitive advantage (e.g. IP)
Research Team and University Infrastructure	• Project Associated Researchers and Collaborators • Resources • Letters of Support	• The team is extremely well-qualified with the experience, bandwidth, and expertise to effectively implement the project. • The project environment provides the needed infrastructure and support for the team to be successful. • The project has explored and/or employed relationships and expertise from partner NC universities and/or has the potential for collaboration across universities • The team is already working with or has identified partners in the ecosystem and/or community that validate the need for and support the technology
Regional Alignment and Impact	• Regional Alignment • Potential Benefits to and Impact on Region	• Project provides direct benefit to region/local community and the expected regional economic development benefits and other outcomes are positive and impactful. • Project aligns with regional strengths and areas of opportunity and offers potential to generate cluster-based growth • Project is beneficial to the lead university and leverages and/or strengthens its core capabilities
Commercialization Potential	• Market Fit and Customer Discovery • Competitive Landscape • Commercialization Pathway	• Project addresses a clear market need with substantial market size • Project has clear target audience with a clear pathway to market and excellent potential for commercialization • Team has identified associated risks, addressed mitigation plans and planned for possible challenges • The Team has significant customer discovery data/insights
Approach and Milestones	• Approach, Milestones and Associated Funding • Anticipated Challenges • Measuring Success	• The proposed approach or methodology is sound and well-reasoned • Milestones and deliverables are clearly defined and reasonable
Industry Engagement	• Industry Partners • Letters of Support	• Team has identified potential industry partners with interest in the research and its commercial applicability • Team has clear industry support through letters of support
Qualitatively Assessed		
Use of Funds	• Itemized Budget • Budget Justification	• Reviewers are asked to provide feedback on whether the budget appears appropriate for the scope of the project, if it contains the required information and is linked to project goals. Additionally, reviewers are asked to consider whether there are areas that seem over- or under-resourced.

Potential Barrier(s)	• Pertains to entire application, not specific question(s)	• Reviewers are asked to consider potential barriers to success, including geographical barriers and/or access to resources.

Post-Award Policies

Just-in-Time Information Request

After an applicant receives a notice of award, NCI will request that the applicant complete a just-in-time information form to ensure that the funding agreements contain the most updated information. Timely completion of this form will help NCI move the funding agreements forward as quickly as possible and help prevent delays in the transfer of funds. In some cases, the Regional Director and/or the VP for Regional Networks and Hubs will work directly with the PI to make minor revisions to budget and milestone documents in advance of the transfer of funds.

Requesting Budget or Milestone Amendments

While applicants are encouraged to stick to their planned milestones and budget as much as possible, we understand that sometimes plans change, and in the case of changes to budget, milestones, and end dates, any changes that are made must be approved by NCI and formalized by executing a funding agreement amendment.

Use the following guidelines to determine if a budget amendment is necessary:

- A budget amendment is not required for PIs to re-allocate funds within a budget category (e.g., a change in materials or equipment purchased).
- For any budget changes that do not require an amendment, all budget changes must be tracked and reported in the annual financial reports.

Any budget changes made with or without an amendment must be accurately reflected in all financial reports to NCI.

Use the following guidelines to determine if a milestone amendment is necessary:

- Any movement of milestone from Year 1 to Year 2 requires a milestone amendment and approval by the Senior Regional/Hub Director and NCI leadership.
- Teams are encouraged to respond to feedback from project EIRs, NCI Regional/Hub Directors, and other support organizations. Any change in

commercialization milestones based on this feedback requires a milestone amendment.
- Changes to milestones often result in changes to project budgets. PIs are encouraged to consider the budget implications of their milestone adjustments and determine if a budget amendment is also required. NCI recommends that milestone and budget amendments are completed simultaneously to decrease administrative burden on all parties.

PIs are expected to meet with their NCI Senior Regional or Hub Director regularly. If a PI anticipates a milestone will not be met, NCI requests that they meet with their Senior Regional or Hub Director to discuss next steps.

Process for Amending Funding Agreements

A brief overview of the funding agreement amendment process follows:

1. Lead PI contacts their respective Regional Director to notify them of the change request.

2. Regional/Hub Director discusses the proposed change with the PI, reviews eligibility, and either approves or rejects the proposed changes.
    a. If approved, proceed to step #3
    b. If not approved, Regional/Hub Director works with PI to revise if needed

3. Regional/Hub Director discusses the proposed change with the Statewide Director of University Innovation and either advances or rejects the proposed changes.

4. Regional/Hub Director notifies Grants Administration Manager that the request is coming and provides details on the nature of the request and the justification for the change.

5. Lead PI notifies OSP of the proposed change and formalizes the request within two weeks.

6. OSP contacts NCI's Grants Administration Manager to request an amendment.

7. OSP works with NCI Finance and the PI to update the appropriate funding agreement exhibits and send them alongside a brief justification to the NCI

Finance Team, who prepares the amendment for signatures.

8. The NCI Finance Team prepares and circulates the amendment for signatures.

9. When all signatures have been collected, the Finance Team notifies the Regional Director that the amendment is complete (OSP will receive copy via DocuSign), and files the amendment in NCI's records.

Carry-over, Unspent Funds, and No Cost Extensions

If a PI anticipates having unspent funds toward the end of an award, they are encouraged to proactively work with their Regional/Hub Director to consider whether the funds could be re-allocated and used during the award period to advance the technology commercialization milestones further. Any unspent funds remaining at the end of an award must be returned to NCI's endowment.

NCI strongly discourages the use of a no cost extension mechanism to lengthen the duration of funded projects. The expectation is that these projects will move at a pace more comparable to industry and that the project will adhere to its timeline as closely as possible. However, we understand that sometimes projects experience unexpected delays, and with this in mind, NCI will consider offering no cost extensions only in situations in which the extension is clearly justified by one or more factors that are not within the control of the lead PI. Examples of acceptable extension justifications include supply chain delays, IRB approval delays, hiring freezes, etc. Teams will be asked to provide documentation of these delays before a no cost extension is approved. To request a no cost extension, please follow the instructions in Process for Amending Funding Agreements section.

Certification of Milestones

All projects must complete a Year 1 milestone certification. Year 1 milestones must be completed before the second tranche of funding is released for Year 2. The Year 1 annual report must demonstrate completion of Year 1 milestones and must be reviewed and approved by the relevant Regional Director and the VP for Regional Networks and Hubs before the completion of milestones can be certified. NCI's Finance team will coordinate directly with the lead university's Office of Sponsored Programs (OSPs) to complete the certification process, and Year 2 funds will be released once the certification is complete.

Grantees are strongly encouraged to remain in close contact with their Regional Director so that any unexpected delays or setbacks can be addressed promptly. If circumstances beyond the control of the grantee prevent completion of Year 1 milestones, and if the grantee has been in regular contact with the Regional Director to discuss the delays/setbacks, NCI will collaborate with the team on a solution that can allow the project to continue into Year 2, with appropriate updates to the funding agreement.

If the team has not communicated with NCI regarding setbacks and delays and is not able to supply an appropriate justification for the incomplete milestones, NCI retains the right to withhold Year 2 funding and terminate the grant.

Contact Information

- For correspondence between university OSPs and NCI and/or any questions related to funding agreements, funding agreement amendments, and budgets, contact NCI Grants Administration Manager, Tiffanie Taylor (ttaylor@ncinnovation.org).
- For questions regarding grants policies, please contact NCI Vice President for Grants and Research, Erin Hopper (ehopper@ncinnovation.org).
- For correspondence between PIs and NCI, including grant application planning, updates to progress made in developing the PI's technology, and feedback on grant application plans, contact the appropriate Senior Regional or Hub Director.
- For technical support on submitting grant applications through NCI's grants management system, contact programs@ncinnovation.org.