

Cornell Technology Acceleration and Maturation (CTAM) Fund

Application and Implementation Guide

BACKGROUND AND PURPOSE

Technologies that arise from Cornell research may have “great potential.” However, from the perspective of many prospective commercialization partners - the necessary conduits to broad applications and wide societal benefit from using the technologies - it’s not unusual for University technologies to be considered “too early” for licensing or investment.

The strategic objective of the Cornell Technology Acceleration and Maturation (“CTAM”) Fund is to accelerate and mature select technologies in order to facilitate their further development towards commercialization to benefit society.

CTAM will fund the further development of approved Cornell technologies (“CTAM Project”) that have specific needs for successful commercialization before or after licensing. With pre-licensed Cornell technologies, the tactical objective of a CTAM investment will be to increase its “license-ability” and its value to potential commercialization partners. For licensed Cornell technologies to “spinoff” companies or client companies in Cornell Incubators, CTAM’s objective is to address “invest-ability” gaps that deter significant investment, strategic partnership, or acquisition.

With pre-licensed Cornell technologies, CTAM funding will be provided in the form of a restricted project-specific grant. For Cornell “spinoff” companies or client companies in Cornell Incubators, CTAM funding will be provided in the form of a convertible promissory note.

For each CTAM Project, the fund will provide a small (up to \$50,000) investment that may make a significant impact on the project’s value in a short time period. Preferred projects will complete within 12 months of initiation. Funding for a longer timeframe can be considered but only if it can be shown that commercially significant interim milestones can be reached within a defined and proposed timeframe.

Depending on the character and needs of each project, the fund can be used for activities such as prototype development, beta-testing, additional data generation

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and analysis, market research, and business plan refinement, etc. The fund is not intended to support continuing exploratory or discovery research or basic research.

FUNDING SOURCES

The initial CTAM fund is provided by the Office of the Vice Provost for Research (“OVPR”). The Fund intends to remain “evergreen” through ongoing contributions by the participating Colleges and future donations from alumni who are passionate about technology commercialization. The fund has no “pay back” provisions for CTAM Projects with pre-licensed technologies. Return from convertible promissory notes for CTAM Project investments in Cornell “spinoff” companies or client companies in Cornell Incubators will be put back into the CTAM fund to support future CTAM Projects.

PROJECT ELIGIBILITY

- Pre-licensed Cornell technologies from Cornell’s Ithaca, Geneva, and NYC Tech campuses that have disclosure records with the Center for Technology Licensing at Cornell University (CTL) are eligible. Note that the WCM campus has a separate funding program for technologies originated from the WCM campus; and projects that are eligible for funding under the Daedalus Program are not eligible for CTAM funding (<http://weill.cornell.edu/daedalusfund/>).
- Cornell University “spinoff” companies—i.e. new businesses founded on licensed Cornell technologies from the above-mentioned participating campuses.
- Companies admitted as resident clients in Cornell’s incubators.
- Previously funded CTAM projects are eligible for additional CTAM funding when justified.
- Project proposals that target significant and specific milestones achievable within 12 months are preferred.

All CTAM Projects must comply with university policies.

HOW TO APPLY

Your unit’s commercial/industry/business liaison professionals, CTL professionals, professionals in the McGovern Center or other Cornell affiliated incubators (collectively, “Commercialization Professionals”) listed in the table below will assist you.

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Authorized Commercialization Professionals responsible for providing assistance to principal investigators (“PI”) in CTAM Project applications development and submissions are:

| University Unit | Title |
|---|---|
| CTL | Licensing Officers, Associate Director, and Executive Director: Phillip Owh, Jeff Fearn, Jessica Lyga, Martin Teschl, Carolyn Theodore, Patrick Govang, Yalverton Luckain, Alice Li |
| Kevin M. McGovern Family Center for Venture Development in the Life Sciences (“McGovern Center) | Director, Executive in Residence: Lou Walcer, William Rhodes, Ed Heslop, Jon Greene |
| Cornell Center for Materials Research | Industrial Outreach Director: Michéle van de Walle |
| Cornell NanoScale Science & Technology Facility | Director: Donald Tennant |
| The Atkinson Center for a Sustainable Future | Executive in Residence & Senior Director, Strategic Collaborations: David Dieterich |
| Cornell University Institute for Biotechnology and Life Science Technologies | Director of Business Development and Outreach: Marla Coppolino |
| College of Veterinary Medicine | Associate Dean for Research and Graduate Education: Bettina Wagner |
| College of Agriculture and Life Sciences (“CALS”) | Director of Business Partnerships, Corporate and Foundation Relations: Lev Perelman |
| College of Human Ecology | Senior Associate Dean, Research & Graduate Education: S. Kay Obendorf |
| Cornell NYC Tech | Chief Entrepreneurial Officer: Greg Pass |
| Downtown Ithaca Incubator | Director: Tom Schryver |
| College of Engineering (“ENG”) | Director, Corporate and Foundation Relations: Abby Westervelt |
| College of Arts & Sciences | Associate Dean: David Taylor |
| NYS Agricultural Experiment Station | Interim Director: Jan Nyrop |

All CTAM proposals MUST be endorsed and submitted by one or more of the above listed Commercialization Professionals or their designees.

These Commercialization Professionals are responsible for:

- Working with PIs to properly prepare and submit the CTAM Project applications;
- Receiving the CTAM funds if proposed projects are approved;
- Managing the funded projects and their associated budgets;
- Providing brief quarterly project progress reports on funded CTAM Projects;

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- Chaperoning activities of funded CTAM Projects to arrive at their proposed milestones with the appropriate deliverables within the proposed timelines and budgets; and
- Providing brief project close reports outlining the delivered versus proposed results.

APPLICATION

All CTAM Applications should provide a brief overview of the underpinning technology, its scientific/technical merit, the target market, the intellectual property status, the proposed activities to be funded, specific deliverables from such activities, the project budget and timelines, and anticipated commercial impact of the project by providing the relevant information in Attachment 1.

Completed applications should be submitted to CTL and to the attention of Laura Salter (LC12@cornell.edu).

Applications are accepted on a rolling basis throughout the year.

INITIAL APPLICATION REVIEW

All applications will be reviewed by CTL for compliance with the eligibility criteria identified above and completeness. Noncompliant or incomplete applications will be returned to the submitters to address the deficiencies.

PROPOSALS REVIEW

Compliant proposals will be referred by CTL for judging by external reviewers who are experienced technology industrialists, early stage venture investors and/or managers of early stage ventures. They are mostly Cornell alumni and regional business executives with the proper domain expertise who volunteer their services to the program.

These external reviewers will make CTAM funding recommendations using a graded system to CTL based on their informed view on the likelihood that third party licensing, investment, strategic partnership and/or broad public utilization will be enhanced from the proposed activities for CTAM support.

It is anticipated that up to three external reviewers may participate in the review of a CTAM proposal. A majority volunteer recommendation will be required to fund a CTAM proposal.

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The reviewers' recommendations will then be summarized and forwarded by CTL to the CTAM Board for a final disposition decision. The Board, which provides administrative and fiduciary oversight to the program consists of:

| University Unit | Title |
|------------------------|---|
| OVPR (Chair) | Vice Provost for Research: Emmanuel Giannelis |
| CTL | Executive Director: Alice Li |
| McGovern Center | Director: Lou Walcer |
| ENG | Dean: Lance Collins |
| CALS | Associate Dean: Jan Nyrop |

The CTAM Board is responsible for final funding disposition decisions on recommended projects based on the timing and availability of funds in the CTAM program budget.

FUNDING

Upon notice of approval by the CTAM Board, OVPR will make CTAM Awards of up to \$50,000 per proposal for deployment of up to one year.

Funding decisions will be communicated promptly by written notice from CTL to the proposal's Commercialization Professional and PI or company CEO.

OVPR's Finance Office will establish for each funded proposal a project account into which the authorized funds for the CTAM Project would be disbursed.

Funding will be released to the Commercialization Professional who submitted the proposal and will manage the fund account.

The Commercialization Professional would have limited disbursement authority on this account and may authorize disbursement only into the PI's project or lab account or to the company's account via its CEO.

It is the intent of the CTAM program to have all disbursements authorized by Cornell Commercialization Professionals solely based on achievement of proposed project milestones and objectives.

All project accounts will automatically close at the earlier of (i) the exhaustion of the approved project fund; or (ii) the expiration of the proposed project timeframe. Any cost over-runs or term extension for a CTAM Project will require additional external review and CTAM Board approval prior to further disbursement. Any remaining funds from closed project accounts will be returned to the OVPR CTAM Fund account for future deployment.

FINANCIAL REPORTING

Monthly Project Cash Flow Reports to the Project Commercialization

Professional

As CTAM Projects are implemented, OVPR's Finance Office will provide the responsible Commercialization Professionals with monthly reports of expenditure from the project accounts. The purpose of these reports is to facilitate the Commercialization Professionals' management of the projects towards on-time and on-budget completion.

Quarterly Project Progress Reports to the Council

As CTAM Projects are implemented, the responsible Commercialization Professionals are responsible for providing a brief (1-page maximum) progress report for each program on a quarterly basis throughout the life of the project. Failure to provide two project reports will result in automatic close of the project account and termination of the CTAM Project.

Project Close Reports to the Program

Each CTAM Project Commercialization Professional must submit a (1-page maximum) "project close" report to CTL within one month of the close of the CTAM Project. This report must compare actual versus proposed CTAM project expenditure, timing, and project yield relative to initial expectations.

Attachment 1
Cornell Technology Acceleration and Maturation (CTAM) Fund
Application Form

Commercialization
Professional (CP): _____
CP. Net ID: _____
P.I.: _____
P.I. Net ID: _____
Unit (College or
Center): _____
Department: _____
Dept. Chair: _____

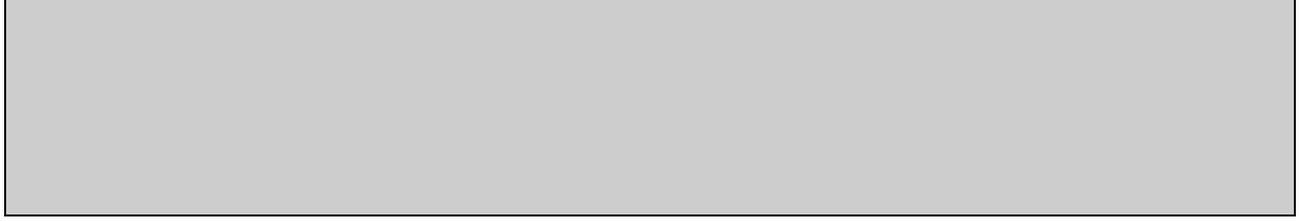
Date of Application: _____
Funding Request (\$): _____
Project Period: _____
Docket No.: _____
Disclosure Date: _____

Title: _____

Brief Summary of the Technology Proposed for Maturation/Acceleration:



Market Needs Addressed:



Current Status and Specific Needs to be Addressed by this Proposal:

Proposed Use of CTAM Funds (please list the specific activities the proposed fund will be used for, the anticipated outcome of each such activities addressing the above mentioned "needs", and the specific "deliverables" for the proposed activities):

Anticipated Impact of Proposed Project on Commercialization/Investment:

Prior PI CTAM Fund Track Record:

Project 1 Name: Case No.: Outcome (Were deliverables rendered on time? On budget?)

Prior CP CTAM Fund Track Record:

Project 1 Name: Case No.: Outcome (On time? On budget? Did it yield the anticipated commercialization result? Yes/No)

Summary Listing of Proposed Project Budget Items, Activity Milestones, and Delivery/Accomplishment Timeline: