

# Prototype and Technology Grant Guidelines

## Agricultural Products Utilization Commission

### Agricultural Innovations

The North Dakota Agricultural Products Utilization Commission (APUC) is pleased to issue an invitation to apply for a Prototype & Technology Grant. APUC recognizes that advances in agricultural production, quality, traceability, precision, safety, security, expanded trade and sales to meet evolving markets, and new products are dependent on advances in technologies. APUC is pleased to support the development of technologies that enhance the products of agricultural production and processing. Eligible candidates for this grant are companies<sup>1</sup> registered with the North Dakota Secretary of State (SOS), higher education agencies, groups, and individuals that add value to North Dakota agriculture.

### Definition of Prototype Eligible for Consideration

A huge array of equipment can be useful in conducting the primary and secondary businesses associated with rural living and agricultural economies. Other funding sources may be available for prototype development in these related areas. Because of their legislative charge, APUC restricts prototype development to inventions improving the operations of:

- food processing equipment
- agricultural equipment

### Examples of Eligible Projects

- product design
- assembling the prototype
- prototype testing
- patenting
- prototype evaluation or redesign or determination of the need to develop a different prototype
- market assessment to refine prototype

### Definition of Technology Eligible for Consideration

To encourage innovation, APUC will maintain a broad view of technology. It could include hardware, software, devices, or processes. It is up to the proposer to justify that a device, process, or program constitutes a meritorious technology suitable for consideration as an agricultural or food processing advancement. Because APUC wishes to encourage development of new technologies, it will consider conceptual and unproven technologies as it would prototypes. Proven technologies in new applications are eligible for additional consideration, especially if the adapted technology is moving to commercialization.

APUC will consider proposals for advances in biotechnology as long as those advances improve agricultural product utilization as foods, feeds, fuels, and fibers. APUC does not consider for funding those technical and genetic advances that improve commodity production (varieties, fertilizers, seed systems, storage, etc.) unless there is a clear linkage between the advancement and the utilization of the improved commodity.

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<sup>1</sup> A Corporate registration number (for in-state owned companies) or a Corporate Certificate of Authority registration number (for out-of-state companies) is provided by the North Dakota Secretary of State (ND SOS). It is required of all companies who are doing business in North Dakota. The Corporate Division of ND SOS can be reached at 701-328-4284 or at 1-800-352-0867, Extension 8-4284.

## **Guidelines**

1. Generally, proposals are not limited to a specific dollar amount. However, APUC's grant monies are finite, and as a mechanism to optimize opportunities, some categories of grants may have limitations on allowable costs that may be included in the project budget. Grant requests may include an additional fiscal agent administrative fee up to 5 percent of the amount requested, not to exceed \$5,000 for their services.
2. Generally, grant applicants must commit a minimum match dollar investment of 25 percent of the total amount requested from APUC, exclusive of the fiscal agent administrative fee. In-kind support must not exceed 50 percent of the total match funding.
3. APUC will not fund salaries or ongoing operational expenses for existing operations.
4. Applicants are only eligible for one grant per project.
5. Additional awards can be provided if the technology must be substantially modified through its development/acceptance process, the project is moving expeditiously to commercialization within a 5-year period and market indications show strong potential for commercial success. Proven technologies adapted to agricultural uses that are being moved into commercial production are eligible for non-restricted funding, and APUC will consider reasonable and justified expenses.
6. **Applications will be considered on a quarterly basis with submission deadlines of December 1, March 1, June 1, and September 1.**

## **Allowable Costs for Prototypes and Technologies**

- product design, prototyping costs
- patenting costs
- pre-approved outside consulting fees
- university technical assistance
- other pre-approved research and development costs
- test marketing and related costs such as advertising, legal, and environmental impact, etc. needed for commercialization
- with justification, transient costs associated with start-up (such as short-term space rental)

APUC funds may be used to match Small Business Innovation Research (SBIR) grants, Energy Related Invention Program (ERIP) grants, and other federal, state, or local funding sources.

## **Peer Reviews**

Peer reviews from individuals knowledgeable about the particular technology involved in the project may be obtained. Peer review takes approximately one month. Proposals are subject to the following review process:

1. Upon receipt, the proposals are pre-screened for eligibility based on the applicant's stated intent, compliance with the guidelines, the proposed budget, and uses of funds.
2. Independent peer reviews familiar with the technology shall be asked to evaluate the technical merits of the project.
3. The applicant may be required to make a presentation to a review committee. The technology must be explained in laymen's terms with technical details provided if asked.

## **Evaluation Criteria for Prototypes and Technologies Considered as Prototypes**

The concept is a new technology or a new application of existing technology and appears to work.

- The applicant and/or others have conducted significant market research.

(Revised 8/2016)

- The applicant has demonstrated the ability to manage the business or fully commercializing the idea.
- There is favorable community or commodity support for the project.
- There are favorable recommendations of local economic development specialists, university-based technical specialists, or other qualified service providers.
- There are favorable collateral contacts to determine the applicant's qualifications and background.
- The applicant demonstrates a personal commitment and a commercialization development plan.
- There is an adequate and realistic budget projection for complete prototype or technology development.

### **Confidentiality of Records**

Pursuant of North Dakota Century Code 44-04, the following information and records are not subject to the open records laws:

- Patents, trade secrets, and scientific information identified as proprietary and which have been submitted to APUC on a confidential basis for consideration or investment.
- Commercial or financial information, whether obtained by the Corporation directly or indirectly, of any entity to or from which a license is granted, equity to or from which a license is granted, an equity interest is acquired or considered for acquisition by the Corporation.
- Internal or interagency memoranda, working papers, letters, or statements of evaluation, which would not be available by law to a party other than in litigation with the Corporation.
- Records or information pertaining to a prospective location of the business or industry when no previous disclosure has been made of the interest or intent to locate, relocate, or expand within the state of North Dakota.

Applicants should mark each page they believe contains information not subject to open records as "Proprietary". The Commission, in consultation with its attorney, however, makes the ultimate determination. If confidential information must be presented or discussed during the meeting on the Commission, the Commission will enter "Executive Session" to ensure confidentiality. Executive Sessions are open only to Commission members, their consultants, and the applicant and his/her presentations.

### **Contract Negotiations**

For successful applicants, the Executive Director of APUC, with direction from the Commission members, will negotiate terms for an agreement, which specifies expected results of the funding and the timeline for completion. Progress of each project will be monitored.

**Should the end results of a project be commercialized in the state other than North Dakota, royalty payments will be collected from the grantee. The royalty payments will be calculated based on a percentage of gross sales and limited to the amount of the grant plus interest.**

Please thoroughly review the [APUC Grant Guidelines](#) for a complete understanding of all program requirements.

**The Commission reserves the right to accept, reject, or partially fund any grant application.**