

# DEMONSTRATION GRANT

## *Eligibility and Criteria*

### About SCRA

The [South Carolina Research Authority \(SCRA\)](#) was chartered in 1983 by the State of South Carolina as a public, non-profit organization. The mission of SCRA is to fuel 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; Clean Tech, Sustainability, and Resilience, 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 depending on the recipient:

1. For Small Businesses: The objective of a Small Business Demonstration Grant is to provide a valuable solution to an industry partner and a significant growth opportunity for a small business by developing a new product, distribution channel, customer, market, etc. The grant is intended to offer a bridge for the small business to its next inflection point in development, while also supporting a monetary and/or in-kind match by an industry partner into a project with the small business.
2. For Academic Institutions: 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 monetary and/or in-kind match by an industry partner or other funding source(s) into a project at an academic institution.

### Eligibility Criteria

The entity receiving the Demonstration Grant must be either:

- A technology 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
- A South Carolina academic institution.

The grant must focus on one of the key areas that have been defined as being the drivers of South Carolina's innovation economy: Advanced Manufacturing and Materials, Information Technology, Life Sciences, or Clean Tech, Sustainability, and Resilience. These four key sectors align with the State of South Carolina's Science & Technology Plan: VISION 2030.

Current SCRA member companies interested in applying for a Demonstration Grant must first contact their SCRA Relationship Manager prior to contacting the Industry Solutions team to discuss their prospective projects.

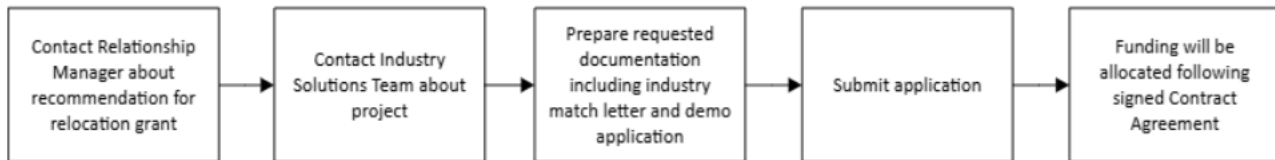
For a small business applicant, industry partner(s) providing the matching funds cannot be current investors in the company or plan to make an investment during the project performance period.

### Funding Amount & Use of Funds

- Demonstration Grants are limited typically to \$50,000 with rare exceptions.

- All Demonstration Grants require at least one-for-one matching funding from an industry partner or another source(s).
- SCRA may choose to distribute the funds in a stage-gate manner (with a maximum of two (2) tranches) corresponding to 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: salaries/wages, 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



- Applicants that are current SCRA member companies must contact their SCRA Relationship Manager for a recommendation to apply for a Demonstration Grant.
- All interested applicants should contact the SC Industry Solutions team to discuss their proposed projects.
- For applicants and projects that pass initial review, the assigned Industry Solutions Manager will request required documentation from the applicant, including a signed letter from an industry partner(s) detailing the agreed upon project scope and funding match.
- When all requested documentation has satisfactorily been submitted, the Industry Solutions Manager will request that the applicant complete and submit a Demonstration Grant application.
- The Industry Solutions team will review the submitted application for accuracy and quality of the project and provide feedback to the applicant for necessary changes.
- If the application is approved, grant 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; Information Technology; Life Sciences; and Clean Tech, Sustainability, and Resilience.
- **Management Team:** Experienced and coachable project team with relevant domain expertise. For a small business applicant, the company should have an advisory board or relationships which can lead to the establishment of an advisory board.
- **Defensibility/Differentiation:** 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.
- **Market Viability:** The small business has a clear value proposition, a high-impact business model with the potential to generate significant revenue, and a clear path to market and plan for technology scalability. For an academic institution, the applicant provides a clearly defined research plan that details its positive impacts for SC industry and for the institution's research program growth, relevance, and/or future viability.
- **Funding:** The project has a minimum of one-for-one matching funds from an industry partner or other source(s).
- **Impact:** There is project potential to create economic impact such as new jobs, new research or solutions for industry, recurring revenue, follow-on funding, 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

- **Final Grant Report:** The Final Grant Report is distributed to grant recipients thirty (30) days prior to the end of the grant performance period, as defined in the grant. This report is required for all grant recipients. (For grant recipients that are also SCRA Member Companies, failure to timely submit the Final Grant Report may result in removal as an active SCRA Member Company.) This Final Grant Report measures the grant recipient's performance in fulfilling the requirements of the grant and will be referenced should a recipient request additional funding. A Grant Final Report Template is available on the SCRA [website](#).
- **SCRA Annual Assessment:** For small business grant recipients, the company must complete SCRA's Economic Impact Assessment annually. The assessment 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 company 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 company may request in writing to extend the performance period.
- **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.
- **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 to the recipient via 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.

## 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 & FAQs

1. **Where can I apply for this grant?**  
*To start, please contact the SCRA Business Operations Manager at [support@scra.org](mailto:support@scra.org) to express your interest in applying for the Demonstration Grant. If your company is an active SCRA Member Company, contact your assigned Relationship Manager for next steps.*

**2. How do I report this on my company's taxes?**

*SCRA cannot provide tax advice, we recommend consulting with a tax professional if you have questions or concerns. SCRA grants may be reportable income to the recipient via 1099 in the year funds are received.*

All other inquiries about the Demonstration Grant should be addressed to the SCRA Business Operations Manager at [support@scra.org](mailto:support@scra.org).