

Programme rules
CEITEC Innovation
Accelerator

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1. Financial sponsor and partner

Financial sponsor: CEITEC BUT

Partner: JIC

2. Programme aim and focus

2.1 Programme aim

The programme aims at creating appropriate conditions and user-friendly facilities for prototyping and validating promising science and research results in the fields of technologies which require more rigorous development and testing prior to being ready to be put into practice. The following fields can be given as an example: nano- and microtechnologies, nanoelectronics, spintronics, nanophotonics, MEMs, microfluidics etc. The funding recipients will be provided not only with access to necessary technological and technical facilities, but also with mentoring and consults by qualified experts in the field of business plan making, particularly related to checking the demand and market potential. The programme shall enable to turn the promising research results into the form of working prototypes verified in real environment, which shall help their subsequent commercial use in the form of starting spin-off companies. The supporting scheme shall contribute to overcoming one of the main barriers of the starting spin-off companies and generally to greater commercial return of Brno BUT results by bridging over the early stage of development which appears high-risk and requires further investments of finances, humans and time.

The programme secondary aim is to increase the interest of the existing local technological companies in cooperation with universities. As a benefit of being included in the scheme (e.g. as an expert) companies shall get a better overview of the promising science and research results in the region, shall be able to influence further development in favour of achieving maximum market potential, also using their own technical competences. This shall result in strengthening the cooperation between the academic and corporate sector and accelerating the two-way know-how transfer within the region.

2.2 Target group

The programme targets at students and science and research workers at academic institutions or commercial companies¹ with promising science and research results that would like to work their way up to a validated prototype which meets the requirements for starting a spin-off company. Upon joining the programme the funding recipient shall interrupt/lower their actual career activity and for the period of up to two years shall fully devote to the development of a commercially viable product, manufacturing process or service. As far as a PhD student is involved, s/he can interrupt the studies or change it to the distance form, shall a science and research worker be concerned, s/he will reduce the working hours at other workplaces to maximum 0,2 FTE.

it is the main bearer of know-how, with the ability to further actively develop the science and research results and the ability to turn in into a form that reflects actual market needs, thus making it a suitable basis for founding a spin-off company, who shall become the funding recipient. Cooperation with other research workers (e.g. a student's supervisor or research worker's manager/colleague) is allowed.

¹ The applicants who are currently not employees of CEITEC BUT are required to sign an employment contract at CEITEC BUT.

2.3 The level of budgetary funds

The total aid granted to one project out of Brno CEITEC BUT budget amounts to maximum of 1.000.000 CZK per year. The funding is intended for covering personal expenses of the recipient, material-related expenses (including purchase of low-value tangible and intangible assets) and external services.

3. The programme schedule

Applications may be submitted continuously, from the date of the announcement of the call until the CEITEC BUT funds are used up. The result of the evaluation shall be announced not later than within three months of submitting the application. The application will be evaluated by a committee composed of both CEITEC BUT experts (technical and technological criteria) and JIC/external experts (business criteria). The evaluation shall include the evaluation of mental health protection strategy performed by a CEITEC BUT employee.

A pilot call will be launched in the first half of 2023.

4. Defining the applicants and the recipients' eligibility

An employee or a student of any of BUT faculties may apply for the programme aid. Even applicants outside BUT can be eligible. The condition of a signed employment contract at CEITEC BUT has to be met. Intellectual property rights shall be covered in a Grant contract ("Contract").

5. The rules of drawing the funds

5.1 The level and character of the funding

The applicants meeting the conditions for granting the Programme aid are entitled to be granted the aid of up to 1.000.000 CZK per year for the project implementation, depending on the size of the approved budget of the supported project. The level of the support allocated from the Programme equals to 100 % of eligible costs of the overall project budget. The maximum time of the funding is two years per a project.

5.2 The conditions for providing the funding

The funding shall be provided from private funds of CEITEC BUT Brno.

The funds may only be used for the payment of assigned eligible direct expenses in accordance with the programme content, the Contract, the Programme conditions and the structure of the indicative budget which is attached to the Contract.

Neither the project implementation nor the funding may be transferred to another legal entity. An applicant is obliged to implement the project under his/her own name, at his/her own cost and under his/her own responsibility.

The applicants will be provided with financial support upon signing the Contract, concluded between the Recipient/Beneficiary and the Provider, continuously in accordance with the expense schedule. The funds shall be spent in accordance with CEITEC BUT Brno rules for private funds.

5.3 Financing and eligible project expenses

An independent structured project plan (SPP) shall be set up at economic centre 62000, while the funds allocated for a calendar year shall be transferred into its profits.

The submitted project applications shall include an indicative project budget in terms of basic expense categories (personal expenses, travel expenses, expenses on the purchase of tangible and intangible

assets, external services). An eligible project expense represents an expense which is in compliance with the principles stated below:

- it is in compliance with the principles of effectiveness, efficiency and economy in accordance with the Act no. 320/2001 Coll. on financial control in public administration and on change in some laws (Act on financial control) as amended.
- It was spent in compliance with the conditions of this Programme
- it incurred to the Beneficiary within the implementation period of the project in direct connection with the project implementation, commencing on the Contract signature date.
- It was paid within the implementation period of the project, commencing on the Contract signature date (personal expenses shall be reimbursed by the Beneficiary until the end of the period for providing final financial statement),
- it actually incurred and is proved with supporting documentation as part of separate accounting records.

List of eligible expenses:

- eligible expenses represent planned expenses of the project budget authorised by the transaction originator and budget administrator

The expenses shall primarily cover the costs of the following types of activities:

- Testing the technological viability of the project:
 - the development of the project or service prototype (expenses on own developers or external supplies of development and construction works), stated in the project budget including the purchase of necessary materials, technical equipment, software, licences, data and other inputs
 - verifying and testing a product prototype or a service, including testing in pilot plant production systems
 - receiving certification necessary for the product or service launch
- Testing the market prospects of the project:
 - market research (including service purchase)
 - mental health protection (including service purchase)
 - testing a product with the customers and specifying the requirements of the product or service user
 - business negotiations (meeting potential customers, participation in trade fairs, conferences and similar events)

Other expenses which are not compliant with the principles above are deemed non-eligible.

Overhead (indirect) expenses are not included in the indicative budget in the interest of the smallest administrative demands on declaring. Expenses related to the commercial supply of the developed project or service do not represent eligible expenses either (i.e. TRL 9 phase which includes a fully commercial solution and its delivery to the customer).

6. Project application and programme process

6.1 Submitting an application

An application for involvement in the Programme can be submitted by a subject specified in Section 4 of this document (Applicant) based on an announcement of the call for the submission of the application (see Section 3).

The application is submitted electronically using an online form. The online application has to include an obligatory attachment of the lead applicant's CV, or that of other key figures of the research team if applicable (e.g. a student's tutor or a manager/colleague of the research worker). All the forms and further information are available on the programme webpage.

The evaluators are entitled to verify the information stated in the application and its attachments and to require additional documents from the Applicant for verification purposes.

6.2 Assessing the application and the selection of the funding recipients

Formal assessment

CEITEC BUT employees supervise that the formal requirements have been met in a binary way (met/not met). BUT shall notify all the Applicants about not/meeting the formal requirements and not/advancing to the next assessment round.

Formal requirements:

- Submitting a complete project application, including all required attachments (see Chapter 6.1);
- Meeting the conditions for the Applicant's eligibility (see Chapter 4);
- Appropriately prepared project proposal of all the parts of the application in accordance with the required structure

Individual factual assessment

A project which meets the formal requirements of the Programme will be assessed by an expert panel of assessors, independently of each other. The evaluation committee will include a CEITEC BUT expert, a JIC business expert and an external expert from a relevant industry field.

The project is assessed in accordance with the principles formulated in the assessment manual. It covers mainly:

- the innovation principle – “To what extent is the presented product/service/solution innovative?”;
- the feasibility principle – „How competent/capable is the applicant regarding the project implementation in real time and the foundation of a spin-off company“;
- the applicability principle – „How great is the marketing potential of the presented project/service?“;
- the change principle – „What will be the impact of granting the aid on the project implementation in comparison to an aid not granted?“

The assessors evaluate the project by awarding 0 to 10 points to each of the four evaluation principles. The projects that receive at least 25 points out of the maximum 40 points possible from all three assessors shall be invited for an interview with the assessors.

Evaluation panel

3 assessors shall be present at the interview, further a CEITEC BUT representative and an Applicant representative that is required to present the submitted project and answer the assessors' questions.

The assessors have the authority to propose project changes, mainly to set binding project milestones, to specify the project outputs, conditioning the funding by these. The provider (CEITEC BUT) further reserves the right to propose/require a change in expense sub-items of the Applicant's budget on account of substantiated comments of the assessors. The final version of binding project milestones shall be included in the Grant contract, with final indicative budget in attachment. The assessors recommend funding or not funding the project or funding the project conditioned by accepting the changes proposed by the assessors on the Applicant's part.

The evaluation panel output is represented by consensual evaluation/statement whether to fund the project or not.

The evaluation panel shall also evaluate the project process on the basis of progress reports at least once a year.

The conclusions of the evaluation panel shall be passed on to CEITEC BUT where CEITEC BUT management shall reach a consensual decision on funding a sub-project. CEITEC BUT reserves the right not to fund selected projects on account of the lack of Non-public funds. The applicants shall be notified of the evaluation results by email within 20 days of the interview with the Evaluation panel.

6.3 The implementation and termination of the project

A Grant contract shall be concluded between CEITEC BUT and the applicants whose project was recommended for funding by the Evaluation panel of experts and approved by CEITEC BUT management (see Chapter 6.2). The contract shall be concluded within 3 months of the day on which the Applicant is notified of the favourable conclusion of the Evaluation panel. The contract sets out the conditions that have to be met by the Beneficiary in order to receive the funding. Shall the Beneficiary's conditions not be met, the provider (CEITEC BUT) is entitled to withdraw from the contract, particularly for not meeting the planned milestones or for proven technical or marketing non-feasibility of the project.

The project commences from the effective date of the contract and the maximum implementation timeline is 24 months, in accordance with the settings of the supported project proposal.

The beneficiary undertakes by signing the Grant contract to:

- use JIC consulting services, defined on basis of analysis of the project needs and provided by JIC consulting team with the aim of maximising successful implementation of the Beneficiary's project;
- hand over a progress report on the implementation within the agreed extent and terms to authorised CEITEC BUT employees every six months from the commencement of the project;
- provide the appropriate CEITEC BUT representatives with a presentation of the project outputs upon request.

The project terminates on the day specified in the Contract, depending on the agreed project length. The beneficiary is obliged to provide a Final project report within 30 days of the project termination, including the summary of drawing the funds during the project implementation, the presentation of verifiable project outputs and further steps planned (see the Final report template).

Following the recommendation of the Evaluation panel, CEITEC BUT can decide on project changes including its early termination, particularly when it becomes obvious that the set project goals cannot be met. When justified, a decision can be made on prolonging the project at the principal investigator's request and upon the Evaluation panel's approval. There is no entitlement to prolonging the project.

The following outputs are expected upon the implementation of the sub-project:

- starting a spin-off company which meets the definition of a spin-off company in accordance with BUT Guideline no. 8/2022
- a technology usable for CEITEC BUT

All intellectual property arising from the project belongs to BUT, which exerts its ownership rights. Details are governed by the relevant law and BUT guidelines.

BUT reserves the right to hold a share in a spin-off company established under this project on the basis of a non-monetary deposit to a limited liability company (or an alternative with other trading companies). The sole subject of the non-monetary BUT deposit to a trading company shall be a license agreement (or another solution available based on the agreement between the parties) related to intellectual property arising from this programme (the name of the programme). The amount of shares shall be set individually on the basis of several factors, which can include, e.g. the type of result itself, the usability of the result, potential commercialization of the result, etc. The minimal BUT share in the newly established spin-off company is 5%. BUT deposit and share in the spin-off company shall follow relevant BUT guidelines.

7. Technology Readiness Level Overview

