



# Build to Scale

**2024 Informational Webinar**

**September 17, 2024**

# Agenda

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1. History of the Program
2. Program Overview
3. Application Guidance



*This PowerPoint will be posted online to*  
<https://www.eda.gov/funding/programs/build-to-scale>



# Build to Scale History of the Program

# Statutory Authority

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## Stevenson- Wydler Technology Innovation Act of 1980

Section 27; 15  
U.S.C. § 3722

Stevenson–Wydler was the first major U.S. law promoting technology transfer and commercialization. It has since been amended and expanded several times.

Authority for B2S was added under an amendment in 2011. B2S is EDA's implementation of the Regional Innovation grants program authorized by this statute.

***“The Secretary shall establish a regional innovation program to encourage and support the development of regional innovation strategies designed to increase innovation-driven economic opportunity within their respective regions.”***

# Innovation Programs at EDA



## 2009

EDA's Office of Innovation and Entrepreneurship was established

## 2014

- First Congressional appropriation
- Regional Innovation Strategies (RIS) Program was born

## 2018

Developed a multi-tiered funding scheme to promote greater inclusivity

## 2020

- Rebranded; goodbye RIS, hello B2S
- Launched the Industry Challenge – *The Blue Economy* in collaboration with DOE

## 2023

- Added a new funding tier for B2S Venture Challenge: Ignite
- Launched the Tech Hubs Program

## 2011

- Received Congressional authorization for an innovation grant program, but no appropriations
- Launched EDA's first innovation grant competition: i6 provided \$1M per region via PWEDA

## 2015

Launched the Seed Fund Support (SFS) alongside i6

## 2019

Launched the R2 Challenge in collaboration with NIST

## 2021

Conducted a study to better support the rural pipeline for innovation funding

## 2022

Introduced 2 funding tiers for the B2S Capital Challenge: Form & Deploy

## 2024

Program update!

# B2S Investments to Date\*



\*Table indicates allocated amounts, not the appropriated amounts.



# 2024 Program Overview

**Through the Build to Scale (B2S) Program, EDA seeks to advance innovation economies that will accelerate the adoption and delivery of new technologies – with the ultimate goal of increasing regional and global competitiveness.**



# High-Level Notes

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- ✓ **\$50,000,000 in total available appropriations**
- ✓ **EDA expects to make ~40-50 awards**
- ✓ **Expected award amounts will span the low hundreds of thousands of dollars to the maximum Federal share of \$5 million**
- ✓ **Requires a 1:1 match**
- ✓ **EDA anticipates periods of performance of 24-60 months with an estimated start date in winter 2025**

# B2S Program Goals

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## **The Build to Scale program aims to:**

- build public and private capacity for entrepreneurs and innovators to invent, improve, and bring to market new products and services in critical, emerging, and transformative sectors and industries<sup>3</sup>;
- accelerate the growth of regional economies that are focused on industries of the future;
- empower communities to provide proof-of-concept and commercialization assistance to technology innovators and entrepreneurs; and
- equitably and inclusively increase access to capital for technology-enabled entrepreneurs.

# “Support Organizations”

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The Build to Scale program will fund **support organizations** which may be: operating initiatives to unlock investment capital, operating programs to accelerate company growth, empowering the next generation of entrepreneurs, or otherwise enabling technology commercialization.

## Build to Scale



Entrepreneur  
Support  
Organizations



Founders /  
Entrepreneurs



Startup  
Companies

# B2S Eligible Organizations

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- A state
- An Indian tribe
- A city or other political subdivision of a State (i.e. municipality, county, etc.)

*EDA is **not** authorized to provide assistance to individuals or other ineligible entity types, and such requests will not be considered for funding.*

An entity whose application is supported by a State, city, or other political subdivision of a State **and** that is:

- nonprofit organization
- institution of higher education
- public-private partnership
- science or research park
- Federal laboratory
- venture development organization
- economic development organization or similar entity that is focused primarily on improving science, technology, innovation, or entrepreneurship
- a consortium of any of the entities above

# B2S Eligible Organization “Partners”

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Under the Build to Scale program, **lead applicants may choose to partner with co-applicants, subrecipients, or contractors**, which can all potentially serve as Federally funded partners under the grant. “Federally funded” means that part of the Federal budget requested in the application would go to these partner entities (includes match dollars).

Applications may also include unfunded project partners (entities who would not receive Federal funds from this grant).

Before disbursing any program funds, a case-by-case determination must be made as to whether the partner or party receiving the funds has the role of subrecipient or contractor, pursuant to factors listed in 2 CFR § 200.331, (“Subrecipient and contractor determinations”).

# B2S Eligible Activities

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**Build to Scale provides flexible funding for projects that enable entrepreneurs to face and overcome the challenges and barriers they face in a specific region or technology area.**

- B2S awards may only fund **operational and programmatic costs** related to developing and supporting regional innovation initiatives.
- For example, recipients may use award funds to facilitate shared use for target participants of equipment, facilities, expertise, or other resources critical to commercializing technologies via an objective, unbiased process.
- Applications may also encompass activities that support the formation, launch, or scale of investment funds that seek to raise equity-based capital to deploy in scalable startups (e.g., angel, seed, or venture funds); or that expand equity-based capital access and deployment within a community, region, or regional industry (e.g., angel networks or investor training programs).

# B2S Ineligible Activities

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## **EDA award funding or matching share may NOT:**

- × be passed or transferred directly to beneficiaries (i.e., participant startup companies or individuals) served by the program being funded by award funds.
- × be used to subsidize companies' expenses that are unrelated to program activities, including general operating expenses.
- × be used as investment capital (but may be used to operate or support one or more investment vehicles); B2S does not support purely debt-focused funds.
- × duplicate other Federal funding, including funding awarded under other TBED-centric EDA programs (STEM Talent Challenge, Tech Hubs), other Department of Commerce programs, or other Federal agency programs.
- × fund activities that already are or will be paid for with other Federal funds or that are or will be counted as cost share on another Federal award.

# 2024 Implementation Challenge

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**This iteration of Build to Scale combines the former Venture Challenge and Capital Challenge into a single Implementation Challenge.**

The focus of this year's competition is on technology entrepreneurship and accelerated company growth in a specific technology area and specific region.

Competitive proposals will outline how the project will:

1. strengthen U.S. economic competitiveness through new product or service innovation, or new technology adoption;
2. enhance research commercialization processes and outcomes;
3. remediate structural barriers that inhibit regional innovation capacity and resilience; or
4. leverage regional competitive strengths to stimulate innovation and the creation of high-skill and high-wage jobs.



# Match Requirement

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## One-to-one (1:1) match is required

- Matching share greater than the 1:1 requirement will be accepted but is not necessary to qualify for funding and will not make an application more competitive.
- A provider of matching share, including an entity providing cash or in-kind contributions, may not serve as a contractor under the same award, and may not be paid with award funds to provide goods or services to the award recipient.
- EDA in its sole discretion may agree to reduce the matching share prior to, at, or during an award to no lower than 1:1.

# Consideration for Tech Hubs / NSF Engines



- In October 2023, President Biden announced the designation of the inaugural 31 Tech Hubs.
- In January 2024, NSF Director Panchanathan announced the 10 inaugural Engines awards.
- EDA will consider the nature and strength of the applicant's / project's affiliations with a Tech Hub or NSF Engine AND the project's alignment with the respective Tech Hub's or Engine's strategy.

To be eligible for any points under this criterion, an applicant must submit a letter or other documentation from the Regional Innovation Officer or authorized official from a Tech Hub's Lead Consortium Member or from an authorized official from the Engine's lead organization that definitively demonstrates that Tech Hub's or Engine's endorsement of the application.

Applications deemed ineligible will receive no points under this criterion.



# Application Guidance

# Application Process

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Locate your UEI

Register your organization in  
SAM.gov

Create an account in EDGE –  
<https://sfgrants.eda.gov/s/>

Complete and submit your  
application in EDGE by October  
28, 2024 at 4:59pm ET.

# Required Forms

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- Project Narrative
- Budget Narrative and Staffing Plan
- Matching Share Commitment Letters
- State/Local Government Support (required from applicants which are non-public entities)
- SF-424 – Application for Federal Assistance
- SF-424A – Budget Information
- CD-511 – Certification Regarding Lobbying
- Project Service Area and FIPS Codes

# Additional Forms (if applicable)

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- Letter from RIO or Lead Consortium Member from an Aligned Tech Hub
- SPOC/EO 12372 Compliance Documentation
- Organizational Documentation (per organization)
  - Certificate of Good Standing
  - Articles of Incorporation
  - Organization Bylaws
- Indirect Cost Rate (ICR) Agreement
- SF-LLL – Disclosure of Lobbying Activities
- Environmental and Historic Preservation Documentation, including Certification Clause (Appendix A to Environmental Narrative) (if applicable, some equipment installation requires building modifications)

# Project Narrative

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- Executive Summary
- Vision, Mission, Goals, Roles
- Regional Resources and Assets
- Proposed Solution and Scope of Work
- Collaboration
- Measurable Goals and Outcomes
- Sustainability Plan

## A good Project Narrative should...

- Be clear and concise
- Identify a defined gap and propose feasible strategies to address it
- Leverage partnerships
- Contain key milestones
- Use metrics to estimate the long-term impact
- Identify a clear and achievable scope of work

# Budget Narrative and Staffing Plan

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- Itemized breakdown of costs by cost category and by year
- Aligned with the Scope of Work
- Cost categories should correspond with SF-424A and SF-424
- Staffing Plan with Key Personnel
- Indirect Costs

*Watch out for...*

- Unallowable costs (see Uniform Guidance 2 CFR 200 Subpart E)
- Budget misalignment with the rest of the application

**Highly suggested to use EDA's Budget and Staffing Plan template**



# Matching Share Commitment Letters

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Should include....

- the source of the contribution
- whether the contribution is cash or in-kind
- statements verifying match (whether cash or in-kind)
  - Committed
  - Unrestricted
  - Unencumbered
- a valuation and description for in-kind contributions

**1:1 match is required!**

*A provider of matching share, whether cash or in-kind contributions, may **not** serve as a contractor under the award for which it provides matching share.*

# State/Local Government Support

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## Required for non-public entities

- ✓ Letters of support must come from a state or a political subdivision of a state (county, city, municipality, etc.)
- × Federal or non-governmental entities will NOT meet this requirement (U.S. Congress, Economic Development Districts, Councils of government, chambers of commerce, etc.)



*If an applicant or co-applicant is a State, an Indian tribe, a city or other political subdivision of a State, or an institution of higher education that is 100% publicly controlled, this requirement does not apply.*

# Merit Review Criteria

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	<b>Criteria</b>	<b>Points Possible</b>
1	Project Quality and Ability to Execute	10 Points
2	Economic Impact	10 Points
3	Capital Formation, Deployment, and Access	5 Points
4	Talent and Workforce	5 Points
5	Commitments	10 Points
6	Equity and Diversity	5 Points
7	Tech Hubs Designation or NSF Engines Award	5 Points

# Common Application Mistakes

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Undermatching

Missing Match  
Letters and/or  
Valuations

Ineligible  
entities

Missing  
Government  
Support Letters

# Application Tips

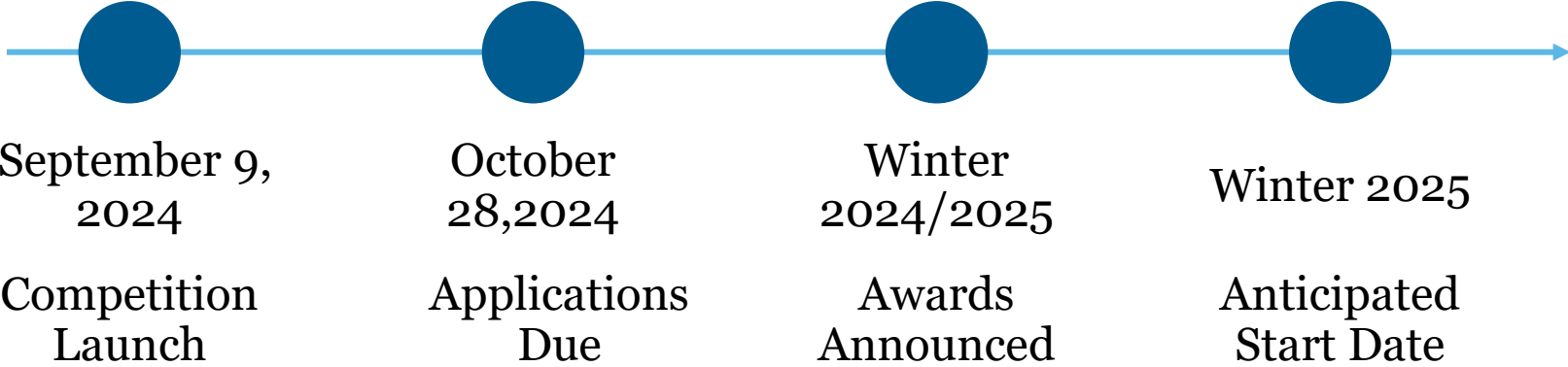
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- Read the NOFO and develop a plan of attack
- Plan for match requirements early on
- Have a partner read the application to avoid assumptions
- Proofread match letters to ensure required language is present
- Program fit is key! Refer to project examples on the website

# Competition Timeline

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# B2S

The logo icon consists of a grid of squares in shades of blue and dark blue, arranged in a pattern that suggests a building or a grid.

## Questions?

[www.eda.gov/funding/programs/build-to-scale](http://www.eda.gov/funding/programs/build-to-scale)

[oiie@eda.gov](mailto:oiie@eda.gov)

## **Non-public entities must be supported by a State or a political subdivision of a State. What is a political subdivision of a State? How should applicants demonstrate support of a State or a political subdivision of a State?**

- A political subdivision of a State is a unit of government created by and under the authority of a State, such as a county or city. To demonstrate the support of a State or a political subdivision of a State, an applicant may include a letter from executive branch officials (e.g. State governors, State cabinet members, mayors, or other municipal executives) and State and local legislators (e.g. State legislators, city councilpersons).
- Note that applicants that are a State, Indian tribe, city or other political subdivision of a State, or an institution of higher education that is 100% publicly controlled, need not demonstrate the support of a State or a political subdivision of a State.
- Generally, only one letter will be necessary.



## **Are B2S or Regional Innovation Strategies (RIS) grantees with active grants eligible for new B2S awards?**

- Current B2S (Venture, Capital or Industry Challenge) or Regional Innovation Strategy grantees must have all activities under the prior-year award, including but not limited to final reporting requirements, completed and submitted to EDA prior to December 1, 2024 to be eligible for the FY24 B2S Competition.
- Separately, if the application shows that proposed activities are clearly and explicitly not only nonduplicative of the prior-year award(s) but also complementary to and aligned with its or their activities and goals, your organization may be eligible to apply.

## **Will any previous grants that EDA awarded to my organization affect my organization's competitiveness for B2S?**

- No, unless your organization has an active B2S or RIS grant (please see question above in this document). However, the Grants Officer may take past performance into consideration when selecting applications for award. Please make sure any proposed work is not work already being funded by another federal grant (including other EDA programs).
- Organizations associated with Tech Hubs or NSF Engines will receive additional benefits. See full merit review criteria.

## **What is different about the B2S “Implementation Challenge” from previous challenges (Venture, Capital, Industry)?**

- The FY24 B2S Implementation Challenge is designed to combine programmatic activities typically funded under the Build to Scale program’s competitions into one comprehensive project.
- For example, under the Implementation Challenge, you can include both access to capital activities (often found previous Capital Challenges) and include entrepreneurial support activities (similar to previous Venture Challenges) and even planning activities (similar to Ignite Challenge from FY23) into one project

## May providers of matching share serve as contractors under an award?

- A provider of matching share, including an entity providing cash or in-kind contributions, may **NOT** serve as a contractor under the same award.
- Thus, contracting entities providing matching share may not be paid with award funds to provide goods or services to the award recipient. All contractors are subject to procurement standards after the award is made.
- Please note, if your organization is the Lead applicant, a subaward, or a third-party eligible entity, they may contribute both cash and/or in-kind matching share.