

ONAMI Proposal Matching Program

(major revision: June 3, 2011)

Rationale

Competitive proposals, including ones for multi-year centers, may require or strongly encourage matching funds. The magnitude of cost share requirements may be as high as 50% of the total project cost. Primary sources of institutional matching include allocations of indirect cost recovery (somewhat analogous to retained earnings), in-kind contributions, and private or endowment funds. These sources are comparable to working capital, and their limited availability at Oregon universities can become a significant barrier to research growth in competition with other institutions nationally. Even when cost share is not required, matching funds for successful PIs can be of great value for uses leading to future major awards. ONAMI sees this as an opportunity to significantly influence the funding of its research priorities (materials science and related devices) and automatically leverage its investment of state appropriated dollars.

In addition, ONAMI seeks to accelerate university-related product development and commercialization activity in Oregon, and to grow industry-funded research collaborations at Oregon institutions.

Commitment of Funds

A commitment of matching funds is different from an outright expenditure (as in the other ONAMI budget categories) as follows:

- The probability of a federal proposal being funded can vary from 1% to 30%, so there should be a routine strategy to overcommit matching funds in light of the statistics regarding success rates for proposal submissions.
- Cash flow timing may be outside the current biennium given the cycle time for proposal preparation, submission, review, and provision of awards (e.g. many federal proposals are multi-year and/or are not initiated for up to a year after the proposal submission date).
- Language in proposals related to matching funds might include caveats regarding future budgets, and non-committal phrases like “may commit up to \$xxx”.
- Funds will only be disbursed to University partners, in accord with Master Grant Agreements between ONAMI and the Oregon research universities (OHSU, OSU, PSU, UO). No grants will be made directly to industry partners.

Given the above, this budget category is highly leveraged, but care will be taken to manage exposure appropriately by assessing funding probabilities and setting maximum exposure levels. In the end, institutions decide whether to accept an award in light of financial and match requirements, and sources (including ONAMI) available to provide the match.

Purpose and Use of Matching Funds

The ONAMI Proposal Matching Program is intended to assist ONAMI member researchers and research teams in winning competitive proposals for research grants/contracts, research equipment acquisition, and industry collaborations on product development/technology commercialization. Our desire – in close collaboration with the campus research offices – is to approve matching funds in all cases which meet our criteria (detailed below). This may or may not be realistic depending on the volume of requests received, but matching percentages are based in part on a forecast of expected activity level.

The use of ONAMI matching funds can be mostly at the discretion of the PI, and need not be spent locally, e.g. it may fund travel/guest research arrangements to PNNL, out of state collaborating institutions, or even a foreign institution. However, the funds must be used to strengthen the PI's (and PI's institution) research capacity and long-term competitiveness.

Types of Projects Eligible for Matching Grants

1. Matching funds for industry-sponsored research or commercialization projects. ONAMI will consider providing matching funds, up to 10% of the competitive extramurally sourced funds, for the University portion of a development or commercialization projects where a University PI partners with an industry to win external funding from a competitive source, such as a venture capital fund or industry grant. Preference will be given for projects conducted primarily at an ONAMI facility.
2. Matching funds for multi-institution (i.e. two or more ONAMI-affiliated institutions) proposals. Up to 5% (or 7% in cases where there is at least 5% industry cash cost-share) of the competitive extramural award may be requested. Priority will be given to cases where cost-share is required and for major multi-year center proposals.

3. Matching funds for acquisition of shared equipment acquisition that will be installed in ONAMI-affiliated user facilities. ONAMI will consider providing up to 8% of the competitive/extramurally-sourced funds for equipment for shared use.
4. Installation and set up of donated equipment. ONAMI will consider providing up to 8% of the donation value (convincingly documented) of shared user facility equipment for moving, installation, and initial spare parts inventory.

ONAMI's Board of Directors will periodically review and approve a "risk budget" for proposal matching based on estimated financial exposure. This will govern the total availability of ONAMI matching funds.

Award of Matching Grants

In all cases, the following considerations will apply:

1. Preference will be given when there is a stated requirement for cost-share, i.e. an ONAMI matching funds grant is critical for winning the proposal.
2. In order to avoid overcommitting the matching funds too quickly, grants will typically be limited to \$200K/proposal, although consideration will be given to larger requests – which should be expected to require additional justification and processing time.
3. PIs are *strongly encouraged* to obtain the written or e-mail agreement of their Vice President of Research to request ONAMI matching funds. In any case, campus agreement to "backstop" the matching requirement in the event ONAMI funds are exhausted is required (2d below).
4. Development or commercialization matching requests should demonstrate that the project will enhance the Research, Development and Commercialization capacity of the University.

Process for Submission of Matching Fund Requests

Principal Investigator(s) must be ONAMI member(s) and submit proposals for matching considerations to the ONAMI Executive Director's Office at least two weeks prior to submission.

Required information:

1. Pre-proposal or draft proposal – at least the research summary and budget pages
 - a. Including description of how requested ONAMI matching funds will be used
2. Additional documentation (brief answers preferred) addressing:
 - a. Relevance of request to ONAMI thrust areas and/or new areas of opportunity
 - b. Estimated probability of funding (needed for exposure assessment)
 - c. Estimated cash flow timing (may be outside current biennium) for requested matching funds
 - d. Agreement from participating campuses to “backstop” funds in the event ONAMI funds are not available at the time an award is made
 - e. Projected performance versus ONAMI investment scorecard objectives:
 - i. What % of the extramurally funded amount is being requested from ONAMI (8% maximum for shared equipment, 5 or 7% -with industry funding - maximum for multi-institution extramural research proposals, 10% maximum for industry-funded projects)? What are the other sources of funds?
 - ii. How does this project/investment enable the critical ONAMI goal of winning federal research centers in Oregon?
 - iii. How will this project/investment attract outstanding people to Oregon (graduate students, faculty, and/or entrepreneurs/small companies)?
 - iv. What is the extent of inter-institutional collaboration, including industry, in this project/investment?
 - v. How does this project enhance University development or commercialization capacity?
 - vi. What commercial opportunities might be enabled by this project/investment?
 - vii. Will there be a later request for continuing funding for this project/investment? If so, when and how will self-funding be achieved?

Review and Approval of Matching Fund Requests

- PI submits matching funds request with complete documentation (per above) at least two weeks prior to the submission deadline for the final proposal. ONAMI may not be able to respond to later requests.

- Requests are reviewed by the ONAMI Executive Director who oversees any necessary revisions and makes recommendations for matching commitments to the ONAMI Operations Council. The Executive Director consults with members of the ONAMI Leadership Team for additional feedback as needed.
- The ONAMI Executive Director and Operations Council will review and approve requests on a rolling basis through meetings, e-mail exchanges, and/or conference calls.
- Notice of an ONAMI matching commitment is given to the principal investigator(s) prior to final proposal submission to allow adequate time for institutional review, approval of final proposals and associated budget detail, and provision of a support/commitment letter from ONAMI (if requested).
- Upon notification from the PI(s) that a proposal has been funded, the ONAMI Executive Director's office and appropriate campus personnel will execute the necessary contracts/statements of work to enable the flow and tracking of funds.

Reporting

- At the end of the grant period, the principal investigator(s) will provide a copy of the final technical and financial reports made to the primary funding agency.
- In addition, a final assessment of project performance relative to ONAMI scorecard objectives is submitted.
- All such documentation is to be provided to the ONAMI Executive Director's office in a timely fashion, typically within three months of the end of the project period.