

**TAKEOFF Seed Fund Award
PARTICIPANT GUIDELINES**

Introduction

The TAKEOFF Seed Fund Award (TOSFA) is a joint initiative between the University of Malta and the Ministry for the Economy, Investment and Small Businesses (MEIB), and is the first programme in Malta to fund early-stage technology and start-up development. The programme provides the initial funds necessary to bridge the gap between an innovative early-stage idea/technology and its market development. It provides support to researchers and entrepreneurs when they need it most to increase the likelihood of success. The TAKEOFF Seed Fund Award is intended to support the development of any Business Innovation¹ suitable for commercial exploitation by Maltese trading entities, ultimately to benefit the economy through increased investment and better job opportunities.

The TAKEOFF Business Incubator and the Knowledge Transfer Office at the University of Malta support entrepreneurs and academics to convert good ideas into successful commercial ventures, based around innovative products and services. Through the TOSFA, the most promising applicants will receive funding to enable a step-change along their development path towards the first investor or commercial partner.

Eligibility

The TOSFA will support applications in the areas of Science, Technology, Engineering and Creative Media.

The Award will fund two types of initiatives:

- **University of Malta academic staff** may apply for **Proof of Concept** funds, which will enable a step-change in taking an innovation developed through research at the University closer to being commercialised. If students have generated work in the course of their studies which would benefit from Proof of Concept Funds, they may apply through their supervisor. Beneficiaries must clearly demonstrate the project milestones which should lead to a tangible or potentially commercialisable artefact within the 3 years from receipt of funding. If, during the 3 year period, it transpires that this will not be possible, the beneficiary must provide sound justification for the lack of progress;
- **Entrepreneurs** involved in a start-up, as well as students currently enrolled in the Master in Knowledge Based Entrepreneurship course offered by the Centre for Entrepreneurship and Business Incubation (CEBI)², may apply for **Seed** Funds, which will enable a step-change in taking their independent technology or knowledge-based start-up closer to the first customer or investment. In order to receive their award, TAKEOFF Seed Fund beneficiaries shall be required to be or to become TAKEOFF members.³ Seed fund beneficiaries must be both registered (if applicable) and operational in Malta.

New applicants shall be given preference over previous beneficiaries of the TOSFA. Potential applicants who may have a potential conflict of interest⁴ or any relation⁵ with members of the Adjudication Team must bring this up with the Management Committee and may be excluded from participating.

¹ Business Innovation is defined as something that should: (i) present an improvement on existing products, services or processes, (ii) provide a solution to a currently-unsolved customer problem, or (iii) facilitate the engagement of new customers with existing products and/or services.

² Contact Prof. Russell Smith, CEBI Director, on 2340 3249 or russell.smith@um.edu.mt

³ Further information on TAKEOFF membership will be provided during the workshop being held for Seed Fund applicants.

⁴ Conflict of interest shall be defined as: "Any event that may influence the capacity of a person in the Adjudication Team to give an objective and impartial professional opinion, or preventing him, at any moment, from giving priority to the interests of the University and/or MEIB and/or MEDE and/or the Programme."

⁵ This shall include relations by consanguinity or by affinity to the third degree (please contact the University Knowledge Transfer Office on knowledgetransfer@um.edu.mt if in doubt).

Value of the Fund

The TAKEOFF Seed Fund Award has a total allocation of €100,000 to be awarded in 2020. Grants between €2,500 and €25,000 will be awarded to the selected projects.

Application Process

Applicants for Proof of Concept funds may get assistance in preparing their application form by contacting the Knowledge Transfer Office on knowledgetransfer@um.edu.mt, whereas applicants for the Seed fund may contact TAKEOFF Manager, Joseph Bartolo, on joseph.a.bartolo@um.edu.mt. The completed application form should be submitted by email as an attachment in PDF format to knowledgetransfer@um.edu.mt by **Monday 25th May 2020, at noon**. The application form file should be named 'TOSFA_POC_Project Title.pdf' in the case of the applications for the Proof of Concept fund, or 'TOSFA_SF_Project Title.pdf' in the case of the applications for the Seed Fund.

All potential applicants must attend the relevant online workshop, which will provide skills and tools for creating a competitive proposal. The final application form will only be accepted if applicants or their representatives register and attend their respective workshop. This will only be waived in extenuating circumstances. Potential Seed Fund applicants must attend the workshop organised by TAKEOFF while all potential applicants for the **Proof of Concept Fund** must attend the workshop being organised by the Knowledge Transfer Office. If unable to attend, the potential applicant must set up another meeting directly with the Knowledge Transfer Office (Proof of Concept) or TAKEOFF (Seed Fund). For more information and to register for the event visit <https://takeoff.org.mt/seedfundawards/tosfa-2020>

The initial written applications will be evaluated and scored by an Adjudication Team that may include successful entrepreneurs, technical experts, technology commercialization professionals and investors. The panel will evaluate the written proposals in line with the Judging Scorecard and will consider:

- The understanding of the problem/solution/benefit being addressed and the market opportunity of the proposed solution/technology;
- How well the target customers/users/technology beneficiaries have been identified, how they will benefit, and how they will be acquired;
- Whether the competition and the competitive advantages have been adequately identified;
- Whether the necessary resources have been identified, and plans to obtain these resources and the required revenues are in place;
- The capability of the team to articulate and execute the proposed plan;
- Whether issues related to intellectual property have been given due consideration;
- The likelihood of success, including risk identification and mitigation;
- The extent of the step-change that will be achieved through the funding, the clarity and credibility of the proposed plan, and how effectively the requested budget is being used to achieve this;
- The quality of the written application and the oral presentation.

The Adjudication Team will rank all written applications, and shortlist proposals to progress to the second stage. Shortlisted applicants may work with coaches and mentors to prepare a more detailed proposal which will be presented through a live pitch to the Adjudication Team in the final competition.

The presentations will be strictly limited to 10 minutes, followed by 15 minutes of questions and answers. Shortlisted applicants will be given a time slot for their presentation and will need to arrive 30 minutes before their allotted time. Any slides that will be used for the presentations must be sent to knowledgetransfer@um.edu.mt as an attachment in PowerPoint (Version 2013) the day before the presentation, using the same file name as the written application (i.e. TOSFA_PoC_Project Title.pptx or TOSFA_SF_Project Title.pptx).

After the presentations, the Adjudication Team will reach a consensus on the score of each application and the applications will be ranked. In the event that two or more proposals have the same score, they will be ranked according to commercial potential, then capability of the researcher/entrepreneur/team. In certain cases the

Adjudication Team may decide to make an award conditional on the applicant making specific adjustments to their proposed plan.

The best ranked proposals shall be selected for an award and applicants will be required to sign the Grant Agreement and a State Aid Declaration Form. TAKEOFF Seed Fund beneficiaries who are not TAKEOFF members shall be required to become members. An information session on Financial Management will be delivered by MEIB. Failure of a beneficiary or his/her representative to attend this session will imply ineligibility to proceed to obtain the approved funding.

The Management Committee shall take reasonable precautions to treat written submissions and presentations as confidential, with the exception of the non-confidential Executive Summary provided in the written application. However, it is the duty of the applicant to ensure that the intellectual property being presented is sufficiently protected and/or not prejudiced by entry into this competition⁶.

2020 Timeline*

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| Call for Applications | Wednesday 6 th May 2020 |
| Seed Fund and Proof of Concept Orientation / Proposal Workshop for Applications | Monday 11 th May 2020 at 14:00 |
| Written Applications Submission Deadline | Monday 25 th May 2020 at 12:00 noon |
| Initial Adjudication | Wednesday 10 th , Thursday 11 th June 2020 |
| Announcement of Shortlisted Applications | Week of 8 th June |
| Coaching for Shortlisted Applicants | From Monday 15 th to Wednesday 24 th June 2020 |
| Live Pitches to Judges | Thursday 25 th and Friday 26 th June 2020 |
| MEIB Information Session on Financial Management | Week of 27 th July 2020 |
| Signing of Grant Agreement & Disbursement of Funds | September 2020 – tbc at a later date |
| Progress Report | Monday 23 rd November 2020 Monday 24 th May 2021 |
| Deadline for Spending Funds | Friday 24 th September 2021 |
| Final Expenditure Report | Thursday 30 th September 2021 |

* Subject to change for whatever reason/cause.

Award

The initial tranche of funding will be disbursed as per the payment plan provided once the successful applicants have attended the Financial Management Information session, and completed and submitted all the required documentation. They will be expected to deliver on their milestones and move forward with their proposed plan during the grant period, over a six to twelve-month period running between September 2020 and September 2021. The remaining funds will only be disbursed upon positive completion of milestones as described in the first quarterly report. Seed Fund recipients are expected to work closely with the TAKEOFF Manager, whereas Proof of Concept fund recipients are expected to work closely with the Knowledge Transfer Office.

⁶ Each applicant shall hold harmless the MEIB and University of Malta from any claims relating to the applicant's participation in this competition.

Beneficiaries will normally be required to submit an interim report every 4 months and a final report, detailing their progress against the proposed milestones, at the end of their grant period. Each report must be supported by the accepted proof of payment relating to expenses incurred during the respective reporting period. All beneficiaries will be subject to an audit which will be conducted by the Ministry for the Economy Investment and Small Businesses, following conclusion of the project. All required documentation including proof of purchases must be retained. Should a project be delayed, beneficiaries may request an extension by writing to the Management Committee in a timely manner (at least one week prior to the respective deadline), providing justification for the request. It shall be up to the Management Committee to accept or decline such a request.

The Management Committee maintains the right to obtain a refund, in full or in part, of the funds awarded if the beneficiaries fail to submit the reports, if they fail to show adequate commitment to the implementation of the proposed plan, if it transpires that double funding occurred or if they use the funds for purposes that are clearly outside the scope of the proposed plans without justification and without prior consent obtained in writing from the Management Committee.

All beneficiaries must be available for audit meetings. The Management Committee reserves the right to obtain a refund in full or in part, of the funds awarded should the beneficiaries fail to attend meetings with the auditors or to provide documentation they request.

In the event that not all the funds are disbursed following the first call, a second call may be issued later in 2020.

State Aid

The TAKEOFF Seed Fund Award operates under the *de minimis* State Aid regime, which allows a single undertaking⁷ to receive an aggregate maximum amount of *de minimis* aid of €200,000 under all *de minimis* aid measures, over a period of three fiscal years. Applicants are required to ensure they are eligible for the requested grant under State Aid rules before submitting an application.

Financial Management Procedures

It is imperative for those Beneficiaries who have successfully been awarded the grant, to fully understand and adhere to sound financial procedures throughout the implementation of their project (as referred to under the Award section above).

For every transaction effected for the purchase of a good or service, a Fiscal Receipt/other Receipt/Invoice must be produced as Proof of Payment for such a transaction. It is important to note that Fiscal Receipts/other Receipts/Invoices need to match and cover the expenditure item/s as denoted by the Beneficiaries' Statement of Accounts and/or Statement of Expenditure as non-compliance shall lead to the recovery of funds of that particular cost item of expenditure.

For the purposes of audit trailing, it is essential that the Beneficiary exercises proper referencing of each Fiscal Receipts/other Receipts/Invoices so that these match the relevant cost item of expenditure that was made.

In the case of any equipment procured on a *second-hand* basis, its price cannot exceed the generally accepted market price and such equipment shall need to comply with operations and accepted standards. In the case where a receipt or invoice cannot be submitted as Proof of Payment, a Declaration shall be required to be submitted by the Beneficiary by way of an affidavit as an alternative Proof of Payment document.

In the case of Online Purchases, the actual invoice as issued by the Seller is required to be submitted as Proof of Payment. An *Order Confirmed* shall not be considered as being a Proof of Payment document. The receipt and/or invoice needs to indicate the final amount as being in euro and the euro conversion rate also needs to be indicated.

⁷ For the purpose of this declaration the term 'single undertaking' shall have the meaning as established in Commission Regulation (EC) No. 1407/2013.

In the case of Salaries, the Beneficiary is required to present as Proof of Payment the relevant payslip/s which needs to indicate the hourly rate paid and also needs to cover the period in which such cost item of expenditure was paid.

Contacts

All news and information about the fund will be posted on <https://takeoff.org/seedfundawards/tosfa-2020/>

For **Seed Fund**: Business Incubation Manager – Joseph Bartolo (joseph.a.bartolo@um.edu.mt)

For **Proof of Concept Fund**: Knowledge Transfer Office (knowledgetransfer@um.edu.mt)

Management Committee:

Ing. Elisa Vella and Ms. Nicola Camilleri
TAKEOFF Seed Fund Award
Knowledge Transfer Office
Dar Ġużeppi Żahra
University of Malta
Msida MSD 2080
Malta

Events are currently being held online however, when possible they will be held at:

TAKEOFF Business Incubator
Dar Ġużeppi Żahra
University of Malta
Msida MSD 2080
Malta
(Point 28 on the [campus map](#))