



NEMC SCALE Capital Grant Program Notice of Funding Opportunity (NOFO): Informational Webinar Q&A

May 13, 2025

Go to SCALE Program website for all NOFO detail and deadlines: <https://nemicroelectronics.org/scale-capital>

Updated 5.30.25. See last page for update record.

1. COST SHARE AND FUNDING

- **What can be counted towards cost-share? Space? Faculty time?**

Yes, cost share can include in-kind contributions such as space and faculty time, provided they are directly related to the project and comply with Generally Accepted Accounting Principles (GAAP). These expenses must be incurred during the grant period (August 1, 2025, to July 31, 2028).

- **Can state or government money be used for the match?**

No, Massachusetts state funds cannot be used for the match. However, federal funds or funds from other states may be eligible if there is no duplication of benefits (i.e., receiving assistance from multiple sources for the same need where the total assistance exceeds the actual need).

- **Can the matching funds come from an SBIR Phase II-E contract?**

Yes, SBIR Phase II-E funds can be used as matching funds, as long as they are not claimed elsewhere and meet program requirements.

- **From for-profit entities, are labor or other non-cash contributions allowable for matching?**

Yes, labor and non-cash contributions (e.g., equipment use) from for-profit entities are

allowable if they are project-specific and follow GAAP standards.

- **Can cost share be in the form of in-kind time, use of facilities, etc.?**

Yes, in-kind contributions like time and facility use can count as cost share if they support the project and adhere to GAAP.

- **Can cost share come from partner entities outside of NEMC? For example, can another hub provide content and IP for workforce development?**

Yes, cost share can come from non-NEMC partners, such as another hub, as long as the contributions are relevant to the project and meet program guidelines.

- **Does the cost share expense need to occur in the 3-year grant period? August 1, 2025, through July 31, 2028?**

Yes, all cost share expenses must be incurred within the grant period.

- **Can we use funds to build out a new training program in addition to equipment purchases? Could we use funds to hire a consultant to help develop the training program?**

Funds are primarily for capital expenses (e.g., equipment). Costs for developing a training program or hiring a consultant may be eligible if they are directly tied to the capital investment and amortized according to GAAP.

- **What's the maximum grant amount for one award?**

There is no specified maximum per award. The total program fund is \$10 million.

- **Is there a suggested proposal request amount?**

No, there is no suggested amount. Applicants should request funds based on their project's requirements, within the \$10 million total fund.

- **Regarding funding sources for the cost-share, please confirm or correct our assumptions below: Federal grants, such as NSF STTR Phase II, are allowed. Mass grants, such as MassVenture START, are not allowed. VC funding is allowed. Foreign government grants, such as ARIA from the UK, need clarity. How does that work with SCALE?**

- Federal grants, like NSF STTR Phase II, are allowed as cost share if there is no duplication of benefits.
- Massachusetts grants (e.g., MassVenture START) are not allowed as cost share.
- Venture capital (VC) funding is allowable if it meets program requirements and is project specific.
- Foreign government grants (e.g., ARIA from the UK) are ineligible if they include IP provisions conflicting with SCALE's terms.

- **How should grant fund timing be reflected for a capital equipment investment where payment to vendor making the equipment is 50% down, 40% at factory acceptance and 10% upon customer installation? The equipment has a 7-month lead time so flows to the vendor making the tool will occur over 2 years (2025, 2026). In our proposal, I'm showing the grant funds matching the timing of payments to the vendor making the equipment. Correct?**

Yes, it is appropriate to align grant fund timing with the vendor payment schedule (e.g., 50% down, 40% at factory acceptance, 10% upon installation) in the proposal budget, as long as all payments occur within the grant period (August 1, 2025, to July 31, 2028). Clearly outline the timeline and payment milestones in your proposal to demonstrate compliance with the program's 3-year duration.

2. APPLICATION PROCESS AND DEADLINES

- **How many pages do you expect for the concept paper?**

The concept paper should be no more than 6 pages. Refer to the Notice of Funding Opportunity for a template, detailed requirements, and submission details here: <https://nemicroelectronics.org/scale-capital>.

- **Does the concept paper need to have a finalized budget? State Universities take a while to settle these numbers.**

No, a rough estimate (e.g., \$2M vs. \$3M) is sufficient for the concept paper. A detailed, finalized budget is required for the full proposal.

- **Would formal quotes for equipment make the proposal stronger? Or would just a ballpark price be enough?**

Estimated prices are acceptable for the concept paper. Including formal quotes in the full proposal can enhance its credibility by demonstrating accurate cost planning.

- **Is there a targeted date of program award?**

Awards are anticipated to be announced in early fall 2025.

- **Should we be proposing projects that spend the money in 1 year or less or are multi-year projects allowed/encouraged?**

Multi-year projects are allowed and encouraged, with funding spanning the 3-year grant period.

- **Is the proposal for 1 year funding, or more?**

Proposals can request funding for up to 3 years during the grant period.

- **So, the term is August 1 through July 31, 2028? Meaning, expenses need to be incurred during that time, including cost share?**

Yes, the grant term is August 1, 2025, to July 31, 2028, and all expenses, including cost share, must occur within this timeframe.

- **In the concept paper, do we already need to have our non-profit lined up and ready to partner?**

Yes, the concept paper should identify the nonprofit partner and outline collaboration details. Formal agreements can be finalized by the full proposal stage (August 1, 2025).

- **Regarding the eligible (at risk) capital purchase date, does the “closing date for proposal submissions” refer to the concept paper due date of 6/3/2025, or the full proposal due date of 8/1/2025?**

The “closing date for proposal submissions” refers to the full proposal due date of August 1, 2025. Capital purchases made before this date are considered “at risk” and may not be eligible for reimbursement unless the proposal is awarded.

3. PROGRAM SCOPE AND ELIGIBILITY

- **We are interested in incorporating microchip training within another program. Is that allowed, or would we need to create a standalone program?**

Incorporating microchip training into an existing program is allowed, as funds can support both new and existing programs focused on microelectronics.

- **Please describe what you envision as a training program. Certificate? A cluster of courses? A degree?**

Training programs can take various forms – certificates, course clusters, or degrees – as long as they advance microelectronics skills and workforce development.

- **Is it just for LAB to FAB or also training of high schoolers and young scholars will be supported?**

Training for high schoolers and young scholars is supported, with capital equipment funding available for educational and workforce development initiatives.

- **Can we apply for more than one core target category? We make metrology systems but workforce development for automating and autonomous experiments could be a good fit.**

Applicants should designate one primary category (e.g., ecosystem or workforce development). If the project spans multiple categories, justify this clearly, and the review team will assess fit and cost share requirements.

- **Can I submit two proposals? One on workforce and one on technology?**

Yes, you can submit two proposals if they represent distinct projects, each aligned with different program categories (e.g., workforce development and technology development).

5/30/25 Clarification Questions for above:

Does the previous question refer to the individual?

Yes, in the previous question and answer “I” and “you” refer to the applicant. The applicant is identified as the individual applying.

5/30/25 Clarification Questions for above:

Can there be more than one applicant from an institution?

Yes, there can be more than one applicant from a for-profit or non-profit if the projects are distinct from each other. Each applicant must follow the previous instructions on quantity of proposals.

- **Can we apply if we are a nonprofit community college w/o a 501(c)(3)? (We are part of the state government). We can use**

our Foundation's 501(c)(3) if needed.

Yes, a nonprofit community college can apply, even if state affiliated. Using a Foundation's 501(c) status is acceptable to meet eligibility requirements.

- **Does the non-profit entity have to be a member of NEMC or is it enough to have the partners as members?**

The nonprofit applicant does not need to be an NEMC member. Having NEMC member partners is sufficient.

- **Is there any link between the PROPEL grant and the SCALE Program?**

No, the PROPEL grant and SCALE Program are distinct funding opportunities.

- **Can the project be solving a domestic supply chain issue for a wafer-scale 2D material partnered with a University for production development and training on production?**

Yes, projects addressing supply chain issues, such as wafer-scale 2D materials, are eligible if they involve microelectronics and align with program objectives.

- **What about lab to fab/commercialization for healthcare/medical devices? Would that still be of interest?**

Yes, lab-to-fab projects for healthcare or medical devices are eligible if they incorporate microelectronics and benefit Massachusetts' microelectronics ecosystem.

- **Can the technology development be related to integration and use of ICs (such as integrating chips into garments) or does the work need to be focused on IC fabrication?**

Yes, technology development can include integrating integrated circuits (ICs) into higher-level systems (e.g., garments), especially if it fosters collaboration and leverages NEMC member capabilities. IC fabrication is not the

sole focus.

- **For the workforce development track, do we need an employer to commit to hiring students who complete our program? Or, could we have an employer commit to interviewing our students?**

Employer commitments to hire are not mandatory, but strong industry partnerships are expected. Commitments to interview or provide internships can enhance the proposal.

- **Can you address ecosystem and workforce development in 1 proposal, or would it need to be separated in 2 proposals? How would you need to budget for the cost sharing since they are different for both?**

Both can be addressed in one full proposal by selecting a primary category and justifying the dual focus. Budget separately for each component.

- **Is MIT.nano a qualified candidate?**

Yes, MIT.nano qualifies as a nonprofit research facility if it meets the program's eligibility criteria and goals.

- **Is work done at MIT.nano eligible for SCALE program funding?**

Yes, work at MIT.nano is eligible if it aligns with the program's objectives.

- **I wonder if the following scenario qualifies for workforce development? Can I propose purchasing a piece of equipment for chip testing and train graduate students on it, which will prepare the students to work for one Mass-based startup we already collaborate with?**

Yes, this qualifies under workforce development, as it trains students for industry roles with a Massachusetts-based startup using capital equipment.

- **Should the paper focus on a specific research area such as 5G/6G, Electronic Warfare, or AI, or is it acceptable to take a broader approach within the semiconductor domain?**

Projects can focus on specific areas (e.g., 5G/6G, Electronic Warfare, AI) or take a broader approach to platform technologies that benefit the wider semiconductor ecosystem, as long as they align with NEMC goals.

4. EQUIPMENT OWNERSHIP AND COLLABORATION

- **Does the proposer own the capital equipment purchased?**

Yes, the awardee (typically the applicant) owns the equipment unless a partnership agreement specifies otherwise.

- **Could you say more about what forms of collaboration that a startup can take with a public entity?**

Collaborations can include joint equipment use, shared training programs, or research partnerships. Roles, responsibilities, and equipment ownership should be defined in the agreement.

- **With a company partner with a public entity, say an FFRDC. Who is the applicant, and who owns the equipment?**

The lead entity (company or public entity) is the applicant, and the awardee typically owns the equipment unless the partnership agreement states otherwise.

- **Can MITLL, as an FFRDC, serve as the public-entity partner for this program? The NOFO listed FFRDC separately as eligible as an applicant, but did not mention FFRDC as eligible as a partner.**

Yes, MIT Lincoln Laboratory (MITLL), as an FFRDC, can serve as a public-entity partner, as FFRDCs are eligible entities under the program.

- **The NOFO indicated that the contract will be between MassTech and the public-entity. Does that mean my company will be a subcontractor if the grant is awarded?**

Yes, if the public entity (e.g., MITLL, MassMEP or UML) is the lead applicant, then your company would be named as subcontractor under the contract with MassTech. The exact structure depends on the partnership agreement outlined in the proposal.

- **Can a coalition of for-profit entities paired with a single non-profit apply under a single application with shared needs? If so, can different for-profit entities under the same proposal ultimately own/operate different pieces of equipment most aligned to their needs?**

Yes, a coalition with one nonprofit can apply. Equipment ownership can be divided among for-profit entities if detailed in the proposal and aligned with program goals.

- **Is it sufficient for the nonprofit to have an office and operations in MA or does the legal entity need to be in MA?**

A nonprofit with an office and operations in Massachusetts may suffice, but a legal entity or significant presence in the state is preferred. Highlight this in the proposal.

- **How do you determine which NEMC members benefit from your technology? Should we be providing letters of support too?**

Benefits to NEMC members are evaluated based on the proposal's impact on the microelectronics ecosystem. Letters of support from partners or NEMC members are not required but can

strengthen the application.

- **When do we have to have a partnership with a university in place? Do you have a list of contacts with MA schools that qualify? Once they agree to partner do they take any ownership of the IP being developed? Can we partner with a new fledgling nonprofit that is also a startup? What would they have to do to get qualified to be a partner in this program?**

- Partnerships should be outlined in the concept paper, with formal agreements finalized by the full proposal.
- No list of Massachusetts school contacts is provided; applicants must secure their own partners.
- IP ownership is determined by the partnership agreement, not the program.
- A new nonprofit can partner if it meets eligibility requirements, such as 501(c) status.

- **Equipment will be on loan to us for at least four years and the end of the four years we will have the option to purchase the tool, at a discount, due to its “used” status. Can we cost share the full value of the tool?**

No, you can only recognize the market value of the tool as cost share. In this case, market value will be the depreciated value.

- **For equipment purchases, if the equipment is market value \$1M, but we can purchase the tool for \$600K, with \$200K of our own funds and \$400K grant funds, is the cost share just \$200K or can it be \$600K since the tool is market value \$1M?**

You can only cost share \$200K based on the price your organization paid.

- **If we purchase a tool for \$1M, but part of the cost is a service contract or extended**

warranty for \$100K, is the service contract and extended warranty considered part of the purchase?

A service contract is considered business operations and can't be part of the purchase.

- **Can the staff costs for running a purchased tool be part of cost share over the three-year period? I think not as I don't believe these can be capitalized.**

No, these costs can't be capitalized.

5. GENERAL AND LOGISTICAL QUESTIONS

- **Will PowerPoint slides be shared with attendees?**

Yes, slides will be shared post-webinar in pdf form, available here:

<https://nemicroelectronics.org/scale-capital>

- **What is capital labor?**

Capital labor refers to labor costs associated with installing or setting up capital equipment, amortized over time per GAAP.

- **What are standard GAAP rules?**

GAAP (Generally Accepted Accounting Principles) govern cost accounting standards.

- **What's an MEP?**

MEP stands for Manufacturing Extension Partnership, a network supporting manufacturers (e.g., MassMEP).

- **Will this presentation be available as a recording afterward?**

No, but the slides are available as a pdf.

- **What do you mean by impact?**

Impact refers to the project's broader benefits, such as advancing Massachusetts' microelectronics ecosystem, creating jobs, enhancing workforce skills, or enabling



technology adoption beyond the equipment itself.

5/30/25 Update Record:

- Page 3, added 2 clarification questions to **Can I submit two proposals? One on workforce and one on technology?**