



CPRIT SEED AWARD PROGRAM: OVERVIEW & FAQ

Overview

The Cancer Prevention and Research Institute of Texas (CPRIT) is initiating a new Seed Award mechanism to support company formation & early development of novel oncology technologies in Texas. This new grant mechanism is open to company applicants to fund the development of therapeutics, devices or tools designed to lessen the burden of cancer. The aim of the Seed Award is to bridge the funding gap, sometimes referred to as the “valley of death,” between discovery and commercial development, with a focus on Texas-based oncology startups.

How does the program work? Who is eligible to apply?

The Seed Award program provides product development funding to select early stage companies and projects in Texas. Companies interested in this award apply and undergo CPRIT’s [peer review process](#). Seed Award applicants may request up to \$3.0 million for projects of up to three years in duration. Companies developing novel cancer therapeutics or diagnostics may apply. There are no geographic criteria for applicants, however successful awardees must meet [CPRIT’s Texas location criteria](#) after receiving the award. This will entail relocation to Texas if the company is not already based in Texas.

How are awards made?

The selection process is similar to CPRIT’s current Product Development award program, which is a six-month process:

1. CPRIT posts a Request for Applications (RFA) defining application deliverables (see schedule on the next page)
2. Companies submit applications by the deadline. Each applicant must pay a \$500 application fee.
3. [CPRIT’s peer review panel](#) evaluates applications and selects firms to make in-person presentations.
4. Invited firms present their proposed projects in-person to the peer review panel. Peer reviewers score and select projects for due diligence review by outside experts.
5. Due diligence is conducted on the technology, company, and commercial opportunity.
6. Peer reviewers assess the due diligence report and decide whether to recommend the company for funding.
7. CPRIT’s Oversight Committee votes to approve the applications recommended for funding.
8. CPRIT and the company execute a contract specifying terms and conditions for the award and funding.

How are funded awards managed?

Upon successful receipt of a Seed Award, CPRIT provides funding in tranches. Companies must submit periodic updates; continued release of funds is contingent upon the company making satisfactory progress toward program objectives. Companies [must contribute “matching funds”](#) of at least half of the award amount toward the project. [CPRIT receives a royalty-based return](#) when the CPRIT-funded products are commercialized. CPRIT does not take a board seat.

What stage of technology/business development is necessary to apply?

The objective is to start with an interesting technology and to further develop it into a commercially viable business opportunity, i.e. make it more attractive to private funding agents. Typically, applicants have completed the following activities:

- Identified a novel therapeutic or diagnostic technology and shown a biological effect
- Replicated/verified the research in a second model and in an independent/ second lab
- Conducted preliminary safety & toxicology testing (in the case of therapeutic agents)
- Shown the product can be synthesized/bioengineered, and manufactured at a research scale
- Assessed the business opportunity and organized a business plan which addresses key development issues (e.g. clinical utility/unmet need, competition, IP strategy, technical challenges, formulation, manufacturing scale-up, pre-IND development/toxicology, preclinical efficacy characterization, clinical trial and regulatory strategy)

- Initiated a patent application
- Established a company

What type of work does the Seed Award fund?

The objective of a Seed Award is to fund the work necessary to select a drug candidate and position the company to raise private capital. As an example, in the case of drug candidates, the Seed Award funds specific technical activities such as:

- Performing target validation
- Conducting lead optimization
- Performing target and cellular potency studies
- Exploring activity in xenograft models and determine PKs and exposure; testing whether concentrations that result in significant cell death *in vitro* can be achieved safely *in vivo*
- Evaluating biopharmaceutical properties (absorption in rodents and non-rodents, clearance, and bioavailability)
- Optimizing synthetic/bioengineering route; develop prototype clinical formulation
- Expanding preclinical safety characterization; perform PK and PD assessments
- Evaluating biodistribution

While the example above relates to drug development, CPRIT also funds appropriate costs for development and validation activities associated with devices, diagnostics, cell therapies or services.

Which project expenditures will the Seed Award reimburse?

Most expenditures related to developing the technology are reimbursable subject to [CPRIT standard policies](#). Companies may use CPRIT funds to support salaries and benefits, use of external consultants, lab expenses, manufacturing costs, equipment, facilities costs, and travel. Specific activities and milestones will vary by category.

Is it required for the technology to have been developed originally at a Texas research institution?

No; however, the company developing the technology must be based in Texas and continue to operate in the state once it has received the Seed Award.

Do I need to raise capital before applying?

No, but the company must certify it will contribute 50% of the amount of first year budget toward the project in matching funds before CPRIT will disburse any funds. After the first year and for each subsequent year, the company must verify that it has spent its matching funds totaling at least one half of the award amount on the project.

How frequently does CPRIT open the Seed Award program for applications?

CPRIT anticipates offering two applications cycles per year for the Seed Award. Below is our anticipated schedule:

Review Cycle	Award Mechanism	RFA Posting Date	Portal Opens for Applications	Application Receipt Deadline	Award Notification
FY 2019, Cycle 1	Seed Award	May 2018*	June 2018*	August 2018*	February 2019*
FY 2019, Cycle 2	Seed Award	December 2018*	December 2018*	January 2019*	August 2019*
FY 2020, Cycle 1	Seed Award	TBD*	TBD*	TBD*	TBD*
FY 2021, Cycle 1	Seed Award	TBD*	TBD*	TBD*	TBD*

*All dates listed above are tentative and may be subject to change. Please refer to CPRIT's website for official RFA release schedule and deadlines.

For more information, please visit www.cprit.texas.gov or contact:

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