

MVP Ventures-Frequently Asked Questions (FAQs)



Eligibility

How much funding is available under the MVP Ventures Program?

- The Department of Enterprise, Investment and Trade (the Department) will provide up to \$3 million per annum for the program to 2027.
- The minimum grant amount is \$25,000 and the maximum grant amount is \$50,000.
- For FY23/24, up to \$1.2 million has already been committed, leaving a maximum \$1.8 million available from 4 December for the remainder of the financial year.

Can I apply for the MVP Ventures funding if I am a new or startup business?

- Yes. A new or startup business may apply if it meets the eligibility criteria.
- For more information on the eligibility criteria, please refer to the program guidelines.

Can I submit more than one application at a time?

- No. Multiple applications will not be accepted from the same business or related parties. Where two or more businesses have directors and/or majority shareholders in common, only one application will be accepted.
- In the case that two applications are submitted by the same business or related parties, the first application lodged will be deemed the application submitted for assessment. Subsequent applications lodged will be deemed ineligible.
- If you submit more than one application in error, please contact us at general.enquiries@investment.nsw.gov.au

Can I reapply to the program if I am unsuccessful?

- Yes. You can submit a new application for the same (or similar) project if you previously applied and were unsuccessful. However, the new application should include new or more information to detail how you addressed the feedback.
- If a new application is deemed too similar to a previous ineligible or unsuccessful application, we may refuse to consider it for assessment.

Can I apply for MVP Ventures funding if I am receiving, or have previously received other federal, state or local government funding for the same purpose?

- No. You cannot apply for MVP Ventures funding if your business and/or related entities have received any other government funding for the same purpose.
- If you intend to claim the Research and Development Tax Incentive, you may apply for funding under this program, however we encourage you to consult your tax adviser before submitting an application, to determine if this is the best option for you.
- The Department does not provide advice and cannot comment on an individual's circumstances.

Eligibility

Why have ‘services’ been removed from eligible projects?

- Services have been removed from eligible project types to better target technical innovations that are expected to drive commercialisation in NSW.

Can an app be funded under the MVP Ventures Program?

- An ‘app’ or application is defined under this program as a type of software application designed to perform specific functions on a mobile device, computer or digital platform.
- The Department assesses submitted applications on the basis of their technological innovation. If an applicant can demonstrate that their app and its underlying technology is a product or process whose technological characteristics are significantly different from before, they may be found eligible if they meet all other eligibility and assessment criteria.

What is meant by “Headquartered in NSW”?

- The business applying for funding must be operating and headquartered in NSW. To demonstrate this, your Australian Business Register (ABR) ABN profile ‘Main Business Location’ must be listed as being in NSW at the time of application.

Is a trust considered an eligible entity?

- No. However, an incorporated trustee on behalf of a trust in Australia is eligible under the program guidelines.
- A trustee will be asked to provide evidence of their trust deed or an ASIC company statement.

Are there any resources regarding TRL levels apart from what is in the guidelines?

- Yes. The MVP Ventures webpage provides a Technology Readiness Level (TRL) calculator to assist you with assessing the TRL of your product or service.

Can a startup provide their residential address if they have no business address or are working from home?

- Yes. A residential address is acceptable.

What is meant by “aggregated turnover of less than A\$1 million for each of the three years prior to the lodgement of my application”?

- In the MVP Ventures Program, ‘aggregated turnover’ means the combined annual revenue of the business and any affiliated entities or those with which the business has connections. Please refer to the glossary for further information.
- You will be required to provide a completed Accountant Declaration Form (<https://www.investment.nsw.gov.au/grants-and-rebates/mvp-ventures/>) with summary financial statements, including profit and loss statements, for the last three financial years.
- If the business has been trading for less than three years, you will only be required to provide the information for the years you have traded.

Validating Entity

What is the purpose of a validating entity?

- The validating entity is intended to support the Department to assess and provide a third-party validation that when completed, your product or process has achieved or made progress in progressing your Technological Readiness Level.

Who can be a validating entity?

- A validating entity must be one of the following:
 - company incorporated in Australia
 - an incorporated trustee on behalf of a trust in Australia
 - a statutory corporation
 - a Publicly Funded Research Organisation
- and
- must be able to demonstrate they have the relevant technical or industry expertise in the field that your product or service is being developed
 - must be a third-party organisation that is not affiliated with your business and is considered to be at ‘arms-length’.
- If your validating entity is involved in the development of the intellectual property for your product or process, it is highly likely that there is a conflict of interest and they will not be considered to be at arms-length.
 - A validating entity could be a consultant with relevant technical experience, an industry leader in your field, or a potential customer with an understanding of the product or process being developed (the consultant or industry leader will be reviewed on a case-by-case bases).

Am I able to claim the cost of getting my product or service validated by an external third party?

- Yes. All costs associated with validating your project’s development are assessed as eligible expenditure and should be included in your project budget.
- Once your project has been approved, eligible expenses (including validating entity costs) incurred after this date may be claimed.

Can I change my validating entity?

- Yes. If you need to change your validating entity during your project, you must notify the Department in writing.

Is there a list of qualified validating entities?

- No. As the areas of technical expertise will vary depending on the product or process being commercialised, the Department does not provide advice on who may be a potential validating entity.

Can an applicant submit more than one validating entity?

- No. The Department’s assessment process will undertake a review of one validating entity declaration. Additional validating entity declarations will not be assessed and do not improve the quality of your application.

Can my nominated validating entity be outside Australia?

- No. All validating entities must be Australian entities.

Co-contribution

- Are in-kind costs eligible for co-contribution?**
- No. In-kind costs and non-cash contributions are not considered eligible for co-contribution requirements.
- What documented evidence of co-contribution is accepted for a financier or investor agreement?**
- Your co-contribution may be evidenced by a financier or investor agreement. However, this agreement must be duly executed according to the laws of NSW and dated within the last 30 days prior to submitting your application. The agreement may be conditional on receiving an MVP Ventures grant.
 - Evidence accepted includes:
 - a duly executed Investor Agreement* under the laws of NSW dated within the last 30 days (which may be conditional on receiving an MVP Ventures grant). This document must be signed by appropriate persons, dated and witnessed.
 - The entity providing the funding must also be at arms-length. If the individual or entity providing funding is a related party, or a discretionary or unit trust, it will not be considered acceptable evidence of co-contribution.
- Investor agreements from 'related parties' are not eligible. What is a 'related party'?**
- Co-funding via 'related party transactions' are not eligible. As defined in the Australian Securities & Investment Commission (ASIC) ['Regulatory Guide 76 - Related party transactions'](#), this is any transaction through which a public company or registered managed investment scheme provides a financial benefit to a related party, such as a director, their spouse and certain other relatives.
 - Almost by definition, related party transactions involve conflicts of interest because related parties are often in a position to influence the decision of whether the benefit is provided to them, and the terms of its provision.
- Will a shareholder register be acceptable evidence for co-contribution?**
- No. A shareholder register will not be acceptable evidence of co-contribution as it does not indicate the cash value being provided to the business.
- If I am applying for MVP Ventures funding, can I use grant monies from another program as co-contribution?**
- No. Other federal and state government grants will not be accepted as a co-contribution for your project.

Project expenditure

- Do I need to provide estimates of all my project costs?**
- Yes. While we understand that there may be changes in the use of suppliers over the course of the project, all project costs should be included at the time of your application as they will form part of your funding agreement should you be successful.
 - All eligible expenditure will be aggregated into the relevant cost categories, and you will only be able to claim against those specific categories.

What key information should be included within the Project Budget section of the application?

- All fields in the Project Budget should be filled out and include:
 - wages
 - consultant fees
 - direct prototyping materials
 - equipment
 - other direct costs including patent filing costs for new IP and travel costs.
- To be eligible, expenditure must:
 - be incurred by you within the project period
 - be a direct cost of the project and not be provided for the benefit or profit of affiliate persons
 - be incurred by you to undertake the required project activities
 - meet the eligible expenditure guidelines.
- You will be required to provide a supplier name, ABN and description of services for external costs, except travel.

What if the supplier increases the cost after I submit my application or after I have executed my funding agreement.

- You must ensure you have adequate funding to meet the costs of any difference associated with the project at all times.

About Eligible Expenditure

Can I apply for funding support for an activity that has already commenced?

- No. Only eligible expenditure incurred after the execution of the funding agreement will be accepted. Any expenditure incurred prior to the execution of the funding agreement cannot be claimed.

Are leadership staff wages such as CEOs, CFOs, COOs and directors, eligible expenditure?

- Yes. However, only leadership staff and directors' wages that are specifically identified and measured as having been performed on the project are eligible.
- Please provide information in the Project Budget section of the application on the project activities conducted by the leadership staff and directors.

Are wages for employees eligible expenditure?

- Yes. However, only costs of labour used directly on your project are considered eligible expenditure. You may only claim up to 50 per cent of total project costs for wage expenditure (up to a maximum \$50,000). The maximum government contribution towards these expenses is \$25,000.

Are wages for employees outside of NSW eligible expenditure?

- It is encouraged that, where possible, grant funding supports employees located in NSW. However, wages for employees outside NSW and/or Australia are eligible. You will be required to provide evidence of employment and work completed on the project when you make a claim.

Can overseas contractors be considered eligible expenditure?

- It is encouraged that, where possible, grant funding is spent within NSW. Overseas contractors may be considered an eligible expense, depending on the service being provided. Under the program, only the costs of contractors incurred for work that is specifically identified and measured as directly contributing to the delivery of the project may be claimed.
- You will be required to provide evidence of the contractor's employment (including business registration identifier and an invoice/receipt in English with the Australian dollar value) and work completed on the project when you make a claim.

Are contractors considered consultant or wages under the eligible expenditure categories?

- Depending on the circumstances, a contractor may be considered as a consultant or an employee. This will depend on how the contractor has been engaged by the business.

Is expenditure outside of NSW considered eligible expenditure?

- It is encouraged that, where possible, grant funding is spent within NSW. However, expenditure outside NSW is eligible.

Is marketing-related expenditure eligible?

- No. All forms of advertising and production of promotional material (including websites and applications whose primary purpose is advertising or promotion) are not eligible for funding. Expenditure in relation to the development and protection of trademarks is not eligible.

Can I claim smart devices, such as computers, watches and tablets, as eligible expenditure?

- No. Under the MVP Ventures Program, all devices including laptops, mobile phones, smart watches, fitness trackers, iPads and tablets are ineligible.

Can I claim ongoing expenses that relate to my project, such as software licenses, access to online servers, and other online services?

- No. Recurring costs, such as software licenses, cloud storage and other online services do not fall within the categories of eligible expenditure under the program guidelines.

I don't have all the mandatory documents at the time of submission. Can I still submit my application?

- No. The documents listed in the program guidelines identified as mandatory must be provided at the time of application via the Smarty Grants platform to complete the assessment. Incomplete applications will not be assessed and will be deemed ineligible.
- If you are unable to provide some of the documents, you may 'Save' your application in Smarty Grants (i.e., do not submit) and resume once the documents are ready.

There is a technical issue with SmartyGrants, what do I do?

- If you have forgotten your password, select "Forgotten your password?" in the login page and follow the prompts to create a new password.

About my application

How to apply?

- If you are interested in applying for the MVP Ventures Program, please apply at deit-pd.smartygrants.com.au/MVPV23. The application portal will open for applications on Monday, 4 December 2023.

When do applications close?

- Applications are assessed on an ongoing basis. The 2023-24 round closes at 16:30 AEST, 30 April 2024 or when the program funding has been fully exhausted, whichever occurs first.
- The program will reopen for applications on 1 July 2024.

How can I check the status of my application?

- An early indication of likely success of an application is not available. You will be notified in writing of the following outcomes, providing we have received all mandatory and necessary information:
 - Notification of EOI application assessment outcome – within 15 business days of the EOI application submission
 - Notification of detailed assessment outcome – within 30 business days of the detailed application submission.
- If a technical error occurs, please quote your application number when contacting staff at SmartyGrants via:
 - Phone: +61 (0)3 9320 6888 (Australia),
 - Email: service@smartygrants.com.au

Can I obtain feedback on my application if it is unsuccessful?

- Yes. Feedback is provided to all unsuccessful applicants outlining where the application did not meet the eligibility or assessment criteria.

Funding

How is MVP Ventures funding paid?

- Approved applicants will be provided with a funding agreement. The funding agreement will outline the project objective/s and activities that must be completed in order to receive funding.
- Payments will be structured based on your total grant funding:
 - Milestone 1: 35 per cent on execution of a funding agreement.
 - Milestone 2: non-financial milestone between 3 and 6 months of executing the funding agreement. Progress report completion required.
 - Milestone 3: 65 per cent for the final payment.
- The final milestone payment cannot be less than 6 months from the date of a funding agreement.

What evidence is required in order to receive grant payments.

- Milestone 1: You will need to provide a valid tax invoice for the first instalment amount as outlined in the funding agreement.
- Milestone 2: You will need to complete a non-financial progress report that details activities and expenditures that has occurred to date. The final payment may not be claimed until a progress report has been submitted.
- Milestone 3: You must demonstrate that the project has been completed in accordance with your funding agreement and provide evidence that the outcomes have been achieved.
- You must also provide details of all expenditure on the project in the form of an itemised report, and provide payment evidence in the form of invoices, payslips, remittance advices or receipts.
- Finally, you will be required to submit a valid tax invoice for the instalment amount as outlined in your funding agreement. The Department may seek further information or clarification when acquitting your funding.

What information will be required for the Milestone 2 progress report?

- Milestone 2: An online progress report template will be provided for completion through the SmartyGrants portal. You will be required to report on the progress of your outcomes and activities. Examples of evidence include, but are not limited to photographs, results, customers' responses, before and after screen shots etc.
- Satisfactory completion of a progress report is required. If the project is not progressing or delayed, please reach out to the Department as soon as possible to discuss your options.

What happens if I cannot meet the outcomes and activities in my funding agreement?

- You must notify the Department in writing as soon as possible to discuss your options.

Can I complete my project earlier than stated in the submitted milestones?

- Yes. However, you will not be able to acquit your expenses earlier than the instalment date specified in your funding agreement.
- If you are likely to complete your project earlier than what has been identified in your funding agreement, please contact the Department as soon as possible. Please note, the final milestone payment cannot be less than 6 months from the date of a funding agreement.

Term	Definition
Full Time Equivalent (FTE)	<ul style="list-style-type: none"> FTE means the full-time equivalent employees including contractors directly engaged based on a 38-hour week. i.e. FTE equals total hours worked for period 38 hours x (no. of weeks in the period)
Aggregated Turnover	<ul style="list-style-type: none"> The annual turnover plus the annual turnover of any entities that the business is connected with, where 'turnover' refers to the ordinary income that is derived in the income year in the course of running the business.
Ordinary income	<ul style="list-style-type: none"> Ordinary income relates to the activities undertaken by the company as part of its normal business operations. Ordinary activities would not include economic contributions by the owners, revenue attributable to transactions or events that are outside of day-to-day activities, donations, and government grants.
Department	<ul style="list-style-type: none"> The Program is administered by Investment NSW within the Department of Enterprise, Investment and Trade (DEIT or 'the Department').
Eligible expenditure	<ul style="list-style-type: none"> Please refer to Appendix A of the program guidelines.
Funding agreement	<ul style="list-style-type: none"> A funding agreement is a legal document that outlines the terms, conditions, and obligations of funding your project.
Grantee	<ul style="list-style-type: none"> The recipient of grant funding under a funding agreement.
Intellectual Property (IP)	<ul style="list-style-type: none"> Intellectual Property (IP) represents creations of the mind or intellect that can be legally owned. Your IP includes the intangible assets you create for your business, i.e.: designs, names, and automated processes. Under the program, trademarks and copyright are not considered an eligible form of IP.
Non-income tax exempt	<ul style="list-style-type: none"> Not exempt from income tax under Division 50 of the Income Tax Assessment Act 1997 (Cth) or under Division 1AB of Part III of the Income Tax Assessment Act 1936 (Cth).