

## INTRODUCTION

BIRD's mission is to stimulate, promote and support innovative R&D of mutual benefit to Israel and the U.S. BIRD's model of operation has worked well over the years, supporting many hundreds of collaborations since its establishment.

BIRD's success is measured in more than one way: billions of dollars of revenues have been generated by the commercialization of products developed in BIRD-related projects. Israeli startups have gained faster access to the US market and beyond, smaller companies on both sides have successfully launched revolutionary products and have gone public or were acquired; larger American companies have gained access to cutting edge technology, opened R&D centers in Israel and acquired promising Israeli companies while larger Israeli companies have gained early access to US technology. The collaboration with universities, research institutes and medical institutions in both countries has also been instrumental in Tech. transfer and commercialization of innovative research.

We continue to extend our support to companies of all sizes in the U.S. and Israel: multinational companies, SMEs and early-stage start-ups. In certain BIRD programs (such as BIRD Energy, BIRD HLS and BIRD Cyber), partnerships between companies and research institutions are eligible (a company from one country and a university/research institution from the other country).

BIRD's procedures are relatively straightforward. Every effort is made to make them friendly and easy to follow. We encourage companies to approach the BIRD team early in the process to discuss their potential projects and partnerships.

BIRD supports qualified projects and shares the risk with two partnering entities meeting the following basic criteria:

1. The partners are a U.S. based entity and an Israeli entity unrelated to each other.
2. The partners agree to share risk, involvement in the project and rewards.
3. The proposed project offers significant innovation, with a high commercial potential.
4. The proposed project delivers significant social and economic benefits.
5. The companies' joint project proposal is approved by BIRD's Board of Governors, following experts' review.

The main purpose of this handbook is to provide you with clear guidelines for submitting the three types of documents required in the application and throughout the execution of a BIRD project:

1. Project proposal (including Executive Summary)
2. Fiscal and Technical progress reports
3. Commercialization reports

In order to simplify the process, we have developed easy-to-use Excel work sheets for data collection and for creation of final summaries. These are available in this document as well as on our website [www.birdf.com](http://www.birdf.com).

We hope that this handbook will help you navigate easily through our process. Please do not hesitate to contact us with any questions.

Wishing you success,



Jaron Lotan  
Executive Director

## Table of Contents

<b>INTRODUCTION .....</b>	<b>1</b>
<b>1. BIRD Awards – The General Program (*) .....</b>	<b>4</b>
1.1. Introduction .....	4
1.2. The BIRD Model .....	4
1.2.1. Overview .....	4
1.2.2. The Product.....	5
1.2.3. The Project .....	5
1.2.4. The Proposer .....	6
1.2.5. The Project Budget .....	6
1.2.6. The Conditional Grant.....	6
1.2.7. Grant Repayments .....	7
1.3. The Partnership Agreements .....	9
1.3.1. The Cooperation and Project Funding Agreement (CPFA) .....	9
1.3.2. The Bi-Lateral agreement .....	9
1.4. Vertical Programs.....	9
<b>2. The BIRD Project Application Process and Timetable.....</b>	<b>11</b>
2.1. Step 1: Introduction of Potential Project to BIRD.....	11
2.2. Step 2: Submission of the Executive Summary of Project Proposal .....	12
2.3. Step 3: BIRD's Review of the Executive Summary of Project Proposal.....	12
2.4. Step 4: Preparation and Submission of the Full Project Proposal .....	13
2.5. Step 5: Meetings with Company Officials during BIRD's Company Site Visit .....	13
2.6. Step 6: Proposal Review and Grading by the IIA/NIST Reviewers .....	13
2.7. Step 7: Decision on the Proposal by BIRD's Board of Governors.....	14
2.8. Step 8: Financial Status and Funding Resources Clearances .....	15
2.9. Step 9: Bilateral Agreement.....	15
2.10. Step 10: Preparation and Signing of the CPFA.....	16
<b>3. Proposal Preparation Guidelines .....</b>	<b>17</b>
Introduction.....	17
A. Cover Page .....	18
B. Table of Contents (including page numbers).....	19
C. Executive Summary (Up to 5 pages) .....	19
D. The Innovation (Up to 7 pages) .....	20
E. Proposed Project Execution .....	21
E.1. R&D Program .....	21
E.2. Project Execution Strategy.....	21
E.3. Analysis of the Project's TRL (Up to 2 pages).....	25
F. Program Plan - Graphical Form (Up to 2 pages) .....	26
G. The Market - (Up to 3 pages) .....	27
H. Commercialization – Plans and Prospects - (Up to 3 pages) .....	27
H.1. Product Manufacturing, Marketing, Sales Activities and Resources .....	27
I. Economic and Social Impact and Cooperation – (Up to 2 pages).....	28
I.1. Economic Impact .....	28
I.2. Social Impact .....	28
I.3. Cooperation between the Companies and Risk/Revenue/Profit Sharing.....	28
J. The Companies and Their Resources – (Up to 2 pages) .....	28
K. Organizations (Up to 3 pages) .....	29
L. Project Budget .....	29

## BIRD Foundation Procedures Handbook

L.1.	Introduction and General Guidelines.....	29
L.2.	Step by Step Explanation on Budget Preparation.....	30
I.	Direct Labor.....	35
II.	Equipment.....	35
III.	Expendable Materials & Supplies .....	35
IV.	Travel.....	35
V.	Subcontractors.....	35
VI.	Consultants .....	36
VII.	Other Expenses .....	36
M.	Risk Analysis .....	36
N.	Sundry Information – Mandatory .....	38
O.	APPENDIX – TRL Definitions.....	39
<b>4.</b>	<b>Report Formats.....</b>	<b>41</b>
4.1.	General.....	41
4.2.	Technical Reports.....	41
4.3.	Fiscal Reports .....	52
4.4.	Commercialization Reports.....	60
<b>5.</b>	<b>Agreements .....</b>	<b>63</b>
<b>5.1.</b>	<b>Introduction.....</b>	<b>63</b>
5.1.1.	Cooperation and Project Funding Agreement (CPFA) .....	63
5.1.2.	Confidential Disclosure Agreement .....	64
5.1.3.	Bilateral Agreement between the Companies .....	64

# **1. BIRD Awards – The General Program (\*)**

## **1.1. Introduction**

This Handbook is intended to provide prospective applicants with information regarding the Israel-U.S. Binational Industrial Research and Development Foundation (henceforth "BIRD"). However, before a company starts preparing a proposal, as stipulated in the following pages, we strongly recommend a personal meeting with BIRD's staff in Israel or in the U.S. Such meetings enable a preliminary discussion of the project, the proposed partnership, and the various options available to prospective participants.

BIRD is managed by an Executive Director and a staff, headquartered in Tel Aviv, Israel. The Executive Director reports to a Board of Governors, comprising three senior government officials from both the U.S. and Israel. BIRD's U.S. offices are located in California, New Jersey and Texas. Information pertaining to BIRD's offices and other BIRD representatives across the U.S. can be found on our website [www.birdf.com](http://www.birdf.com) and in BIRD's annual reports.

All BIRD-funded projects must be jointly proposed and implemented by a partnership between an Israeli company and a U.S. company. Although BIRD is happy to assist companies from either country in finding a suitable corporate partner, the main responsibility for forming the partnership belongs to the companies.

(\*) in addition to the General program BIRD runs three vertical programs. These are described below including specifics that are different for these programs than what will be described for the General Program.

## **1.2. The BIRD Model**

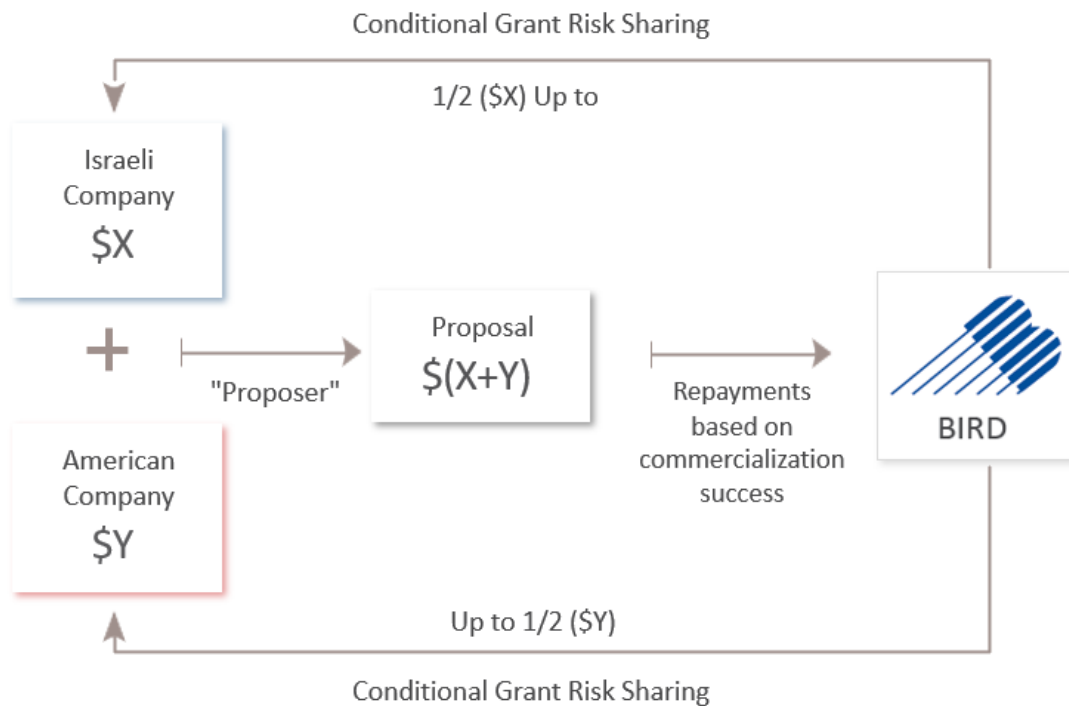
### **1.2.1. Overview**

Any two companies, one registered in Israel and the other in the U.S., may jointly apply for BIRD support, as long as they have the combined capability and infrastructure to define, develop, manufacture, sell and support an innovative product or service, referred to as "the Product". The two partnering companies are collectively referred to as "the Proposer". One key criterion is that each company has the demonstrated ability to carry out its part of the Product's joint development program, referred to as "the Project", as well as its part in the commercialization. Another key criterion is that the nature of the business relationship between the two companies is that of sharing; both in the Product's development program and in the revenues/profits derived from its commercialization.

BIRD cost-shares with the Proposer in the development, to the point of commercial readiness, of innovative (non-defense) technology-based products or processes which have reasonable potential for generating revenues and profits commensurate with the investment and the risks.

BIRD participates in the Project's development cost, referred to as "the Budget", with the Proposer, by funding up to 50% of the Project's budget, and referred to as "the Conditional Grant". The maximum grant BIRD can approve is \$1.5M per project. The two companies, separately and together, are obligated to repay BIRD the total Conditional Grant received, referred to as "the Repayment", but almost always only based on the commercial success of the Product or the partnering companies.

In the traditional BIRD Model, the Project leads to a commercial-ready Product that generates revenues for the Proposer and repayments to BIRD ( alternatively BIRD offers the “Small Companies Track” – see below). In some cases where significant development is still needed after the Project has been completed, BIRD may propose a **Milestone Model** that defines post-project milestones triggering repayments to BIRD unrelated to the Product's sales. During the discussions with the BIRD staff, verify if your Project will be associated with a traditional BIRD model or a Milestone Model.



### 1.2.2. The Product

The jointly developed Product must have significant technological innovation. One or both companies should possess intellectual property rights to the technology being developed and to the finished Product. The Product should target an attractive and growing market that is not necessarily geographic specific but is familiar to and can be serviced by at least one of the two partnering companies.

BIRD will consider products employing any area of technology and targeted for any market segment or application but encourages and preferentially supports projects employing breakthrough or state-of-the-art technologies. The only exception to the above is BIRD's inability to support products targeted exclusively for military applications.

### 1.2.3. The Project

The Project is defined as the scope and duration of the development program undertaken jointly by both companies, at the end of which the Product should be market-ready or with a clear and well-defined path to commercialization. (The only exception to this is the “Milestone Model”. See explanation of this model on our website <https://www.birdf.com/guidelines-stages>) . All activities required

for subsequent commercial manufacturing, specification, and market introduction should be detailed in the Project proposal, including beta-site testing, regulatory approvals, and test marketing.

Because of the wide range of projects and partnerships that may qualify for BIRD support, there are no hard and fast rules for the nature of the cooperation between the partners. They must follow their own judgment regarding the division of activities that will most cost-effectively accomplish the Project's technical and commercial goals.

The Project **Effective Date** (start date) may be as early as the 1st day of the third month prior to signing the contract with BIRD, which is called Cooperation and Project Funding Agreement (CPFA). The Project duration is typically around 2 years but may be as long as 3-4 years, if deemed necessary for reaching commercial readiness.

#### **1.2.4. The Proposer**

The U.S. company and the Israeli company are collectively referred to as the Proposer. Both companies should have the majority of the necessary R&D resources required for the Project in their respective countries. The two companies should have the combined, proven capability and infrastructure to define, develop, manufacture, sell and support the Product defined by the Project.

Both partners should contribute and share their technological expertise and intellectual property in the execution of the joint development program, but their respective contributions do not necessarily have to be identical. However, the task assignments should be divided in such a way that neither partner's portion in the combined budget is less than 30%. Manufacturing responsibilities of the Product can be divided between the companies as they see fit and can be performed by subcontractors. Marketing and sales support for the Product can be divided between the project partners. Preferably, at least one partner should have relevant market presence, as well as a proven track record in marketing, Sales and Support, to successfully realize, upon product commercialization, the bulk of the sales projections indicated in the proposal.

#### **1.2.5. The Project Budget**

The Project Budget is estimated by the Proposer and is submitted as part of the Project proposal in the grant application process. It must include practically all development expenses to be incurred during the Project, including direct labor and its associated overhead, materials, subcontractors, consultants, travel, depreciation on new or used equipment employed and marketing expenses related to the development effort. The budget is prepared and submitted separately by the Israeli company and the U.S. company and covers the entire duration of the Project.

#### **1.2.6. The Conditional Grant**

BIRD will cost-share in the joint development by extending to the Proposer a conditional grant totaling up to 50% of the Project Budget. Each partner directly receives a portion of the total grant relative to its share in the budget.

The grant is divided into installments transferred to the partners to cover their expenses during the project. The first installment is made immediately after all parties sign the Cooperation and Project Funding Agreement and the Bi-Lateral Agreement. The next installments are made after receipt and approval of a joint technical report and separate fiscal reports submitted by each partner at the end of each one of the Project segments (generally every 6 months). These reports cover the development progress and the actual expenses incurred during the reported segment. For the sake of cash flow planning, grantees can assume  $N+1$  equal installments of  $\$G/(N+1)$  every 6 months where  $N$  is the number of segments..

### 1.2.7. Grant Repayments

BIRD currently offers three repayment tracks:

1. BIRD standard repayment track based on sales of the Product
2. BIRD Small Companies Track - for small companies
3. BIRD Milestone track - BIRD staff will recommend certain projects for this track only.

#### 1. BIRD standard repayment track based on sales of the Product

Upon the Product commercialization, the gross sales derived by either partner from sales of the Product (or subsequent products based on the technology developed in the Project) become the basis for repayment of the BIRD Grant.

Repayments are made at the rate of 5% of each \$ of reported sales revenue.

Additional “repayment events” to occur if an outright sale of the technology or product financed by BIRD to any third party is made – in which case up to 50% of the transaction value is repaid to BIRD. If one of the companies is in breach of the agreement – in which case the full grant is due to be repaid by the party in Breach, and in “change of control” events where various options may be open to the company and acquirer.

In any event - the maximum repayment amount due by the Proposer is dependent on the length of time that it takes to complete the repayments, as detailed in the table and chart below:

Years Following Original Date of Completion* of Project Development	Maximum Percentage of Conditional Grant and other sums to be Repaid (indexed by the U.S. CPI)
1 <sup>st</sup>	100%
2 <sup>nd</sup>	113%
3 <sup>rd</sup>	125%
4 <sup>th</sup>	138%
5 <sup>th</sup> and more	150%

For a full year after Project completion (the 1<sup>st</sup> year of product commercialization), the repayment amount due is the actual cumulative sum granted by BIRD to the Proposer, linked to the U.S. Consumer Price Index (CPI). Since the repayment sum due does not increase beyond the 5<sup>th</sup> year after Project completion, the maximum repayment obligation that the Proposer can ever assume is 150% of the total sum granted by BIRD, linked to the CPI.

If Product commercialization is unsuccessful, and no revenue is generated, whether due to technological or marketing failure, in general, BIRD will not seek repayment of the Conditional Grant. Thus, BIRD participates with the Proposer in the risk of an unsuccessful product development investment.

## **2. BIRD Small Companies Track - for small companies**

This is the track for companies whose total revenues were less than \$2 million in the last full year prior to submission. Under this track, royalties are calculated at 7% of the total reported revenue growth in the first fiscal year following the completion of the project, compared to the first full year after the “Effective Date.” Companies have the flexibility to postpone the first year of repayment by up to two years. Repayments continue until full repayment is made, but in any case, will not extend beyond five consecutive years from the date the first payment is made. Full repayment is defined as 90% of the indexed grant amount if completed within three years of project completion; thereafter, full repayment is set at 120% of the indexed grant. Alternatively, companies may opt for a one-time repayment within the first five years following project completion, in which case repayment of 80% of the indexed grant will be considered full repayment.

In mixed situations under the BIRD New Repayment Model - where one partner qualifies for the Small Companies Track (SCT) while the other does not- each company pays royalties, if applicable, according to the repayment model they individually qualify for. If both companies are required to pay royalties, the definition of “Full Repayment” will be based on the more favorable (i.e., lower) repayment obligation of the two. Still – the company in the SCT track will pay only 5 consecutive years while the other company will continue to pay till full repayment is achieved. If only the larger company is required to pay, then the repayment definitions from the existing model will apply. In the case of repayment events that can be clearly attributed to one of the companies, such as a change of control or a breach of contract, the applicable definitions will be those relevant to that specific company.

Please see below an overview and simulation of the repayment models

**Small Company Repayment Model – Overview** [pdf](#)

**Small Company Repayment Model – Examples** [xls](#)

## **3. BIRD Milestone track**

If your project was categorized as a Milestone Project, then the Proposer will sign a Milestone CPFA, which incorporates the definition of a milestone (or milestones) that will trigger repayments to BIRD when achieved. In some cases the Milestone will trigger partial repayment and the rest of the repayment will be due based on sales of the Product.

## **1.3. The Partnership Agreements**

### **1.3.1. The Cooperation and Project Funding Agreement (CPFA)**

Once a Project is approved by BIRD's Board of Governors, a Cooperation and Project Funding Agreement (CPFA) is signed by the two partners (the "Proposer") and the Foundation. The CPFA (see <https://www.birdf.com/agreements/> for a draft version) describes the work plan, project budget, payments due the Proposer, repayments due the Foundation from sales or other income resulting from the project, reporting requirements, etc.

It is the Proposer, (see earlier definition), separately and jointly, that actually receives the conditional grant funds according to BIRD's CPFA, and it is the responsibility of the Proposer to repay the Foundation under the conditions defined in the CPFA.

### **1.3.2. The Bi-Lateral agreement**

The Bi-Lateral agreement is a two-party contract between the U.S. and Israeli companies. This agreement is not a BIRD document and BIRD is not a party to this agreement. However, the agreement needs to be submitted to BIRD for review prior to signing and prior to signing of the CPFA. This formal company-company agreement should address issues relating to conducting the joint development, ownership of IP, manufacturing rights, marketing responsibilities, , benefits to each company during commercialization, etc., and reporting and repayments to BIRD. The risk and profit-sharing nature of the cooperation, classifying it as a business partnership rather than a sub-contracting arrangement, should be clearly defined and understood. Agreement on these issues prior to initiation of the joint venture is critical to maintaining the cohesiveness of the company-company affiliation throughout all phases of cooperation.

As part of their separate agreement, Israeli and U.S. companies include a few "BIRD clauses" which, in effect, define what the companies agreed upon regarding funds to be received from BIRD and repayments to be made.

See guidelines to the Bilateral agreement document: <https://www.birdf.com/agreements/>

## **1.4. Vertical Programs**

BIRD manages three vertical programs- BIRD Energy, BIRD HLS and BIRD Cyber. In most aspects, the process to submit to these programs is the same as the one for the General Program, with the following exceptions:

### **1.4.1 Eligibility**

In all three vertical programs, one of the applicants may be a University or Research institute as long as the other is a corporation.

### **1.4.2 Maximum Grant**

The maximum grant amount for BIRD Energy and BIRD Cyber is \$1.5M as in the General Program. For BIRD HLS the maximum grant amount is \$1M.

### **1.4.3 Approval process**

#### **(A) BIRD Energy Projects**

The Executive Committee of BIRD Energy meets to deliberate the approval of projects once a year, usually in October or November.

Members of the Committee include U.S. representatives from the Department of Energy. Israel's Committee members are a representative of the Ministry of Energy and the CEO of the Israel Innovation Authority. The fifth member of the Executive Committee is a representative of BIRD's BOG.

The decision by the Executive Committee is based on BIRD's internal review and confidential proposal technological reviews by two expert agencies, the U.S. Department of Energy, and the Israel Ministry of Energy, jointly with the Israeli Innovation Authority.

#### **(B) BIRD HLS Projects**

The Executive Committee of BIRD HLS meets to deliberate the approval of projects once a year.

Members of the Committee include a U.S. representative from the Department of Homeland Security (DHS) and a representative from Israel's Ministry of National Security. A representative of the BIRD BOG is an observer in this meeting.

The decision by the Executive Committee is based on BIRD's internal review and confidential proposal technological reviews done by reviewers nominated by DHS on the US side and by the Israel Innovation Authority on the Israeli side.

The recommendations of the BIRD HLS Executive Committee are subsequently subject to approval by the BIRD BOG.

#### **(C) BIRD Cyber Projects**

The Executive Committee of BIRD Cyber meets to deliberate the approval of projects once a year.

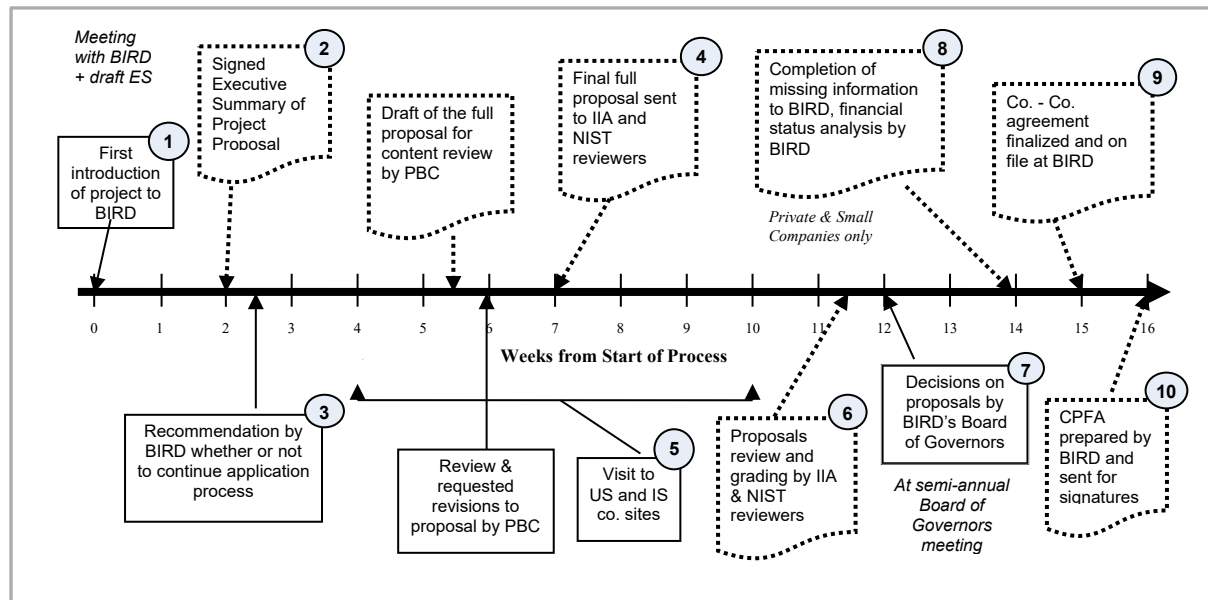
Members of the Committee include a U.S. representative from the Department of Homeland Security (DHS) and a representative from Israel's National Cyber Directorate (INCD). A representative of the BIRD BOG is an observer in this meeting.

The decision by the Executive Committee is based on BIRD's internal review and also on confidential proposal technological reviews done by reviewers nominated by DHS on the US side and by INCD on the Israeli side.

The recommendations of the BIRD Cyber Executive Committee are subsequently subject to approval by the BIRD BOG.

## 2. The BIRD Project Application Process and Timetable

Following is a description of the BIRD project application process and timetable. This 10-step process begins with the initial introduction of the potential project to BIRD staff by the "Proposers" and is completed when BIRD transfers the first "grant payment" to the Proposers. The timetable to complete this process can be as short as **approximately seventeen (17) weeks**, as illustrated in the flowchart below:



### 2.1. Step 1: Introduction of Potential Project to BIRD

BIRD strongly recommends to Israeli and U.S. companies that are considering applying for project funding with a respective U.S. or Israeli partner, to meet with a BIRD representative as soon as possible, to introduce their company, their innovative technology, and their potential new product. This introductory meeting, which can be held even before a specific partnering company has been recruited or identified, can assist the company to better understand BIRD's criteria for company qualification, suitable partnering relationships, innovative products, and commercialization potential.

Typically, one of the two companies will initially approach BIRD for the project's funding support. Ideally, an Israeli company should contact a staff member at BIRD's Israel headquarters, and a U.S. company should approach their regional U.S. BIRD representative. It is recommended that the company be represented by at least one individual who is familiar with both the technical and business (commercial) aspects of the proposed project and is authorized internally to initiate and promote such a project.

When both partnering companies have been identified and the general scope of their joint venture has been defined, the issues and topics that are typically discussed at the introductory meeting are:

**Company Background:** Technical, marketing, and financial assets, as well as the relevant strengths of each company for the successful completion and commercialization of the proposed development project. These include the characteristics and qualities possessed by each company that would make it a good partner to the other company.

**The Innovation:** Description of the product to be developed, including its uniqueness, innovation, and the solution it provides for current and future market needs.

**The Project Scope:** An estimate of the approximate total development budget for both companies and the expected project duration.

**Collaborative Relationship:** Description of the anticipated role of each company during project development and commercialization. This should include division of the development budget between the two companies, non-BIRD financing sources for project expenses and the arrangement between the two companies regarding revenue and profit sharing and other benefits expected to be derived from commercialization.

**Commercial Potential:** Description of the estimated market size for the proposed product and the total \$ value of direct sales revenue expected to result from the developed products over the first 3 years of commercialization.

It is recommended, though it is not essential, that prior to the introductory meeting, the companies submit to BIRD a draft of the Executive Summary of Project Proposal (see section 3.2.), which, in essence, relates to the same 5 issues listed above. At this stage, the Executive Summary does not have to be complete, nor does it have to be signed by either of the companies.

At the introductory meeting, the BIRD representative will acquaint or update the company representatives with BIRD application procedures and timetables, as well as grant payment and repayment obligations, as requested. At the conclusion of the meeting, the BIRD representative will usually be able to give the companies a recommendation whether or not to proceed with the formal submission of an Executive Summary.

## **2.2. Step 2: Submission of the Executive Summary of Project Proposal**

[Feasible timeframe: 2 weeks from the process start]

Once the Israeli and U.S. companies decide to (1) jointly undertake the development and commercialization of a defined product and (2) apply to BIRD for partial funding of the project, the companies will complete and sign the Executive Summary of Project Proposal (template on BIRD's website: <https://www.birdf.com/guidelines-submission>) and submit it through BIRD's "Upload" System. The instructions on how to upload information can be found on BIRD's website: <https://www.birdf.com/upload-system/>.

It is highly recommended for both companies to register on the Upload system well ahead of the deadline for Executive Summary Submission so that you can ensure on-time submission. The Upload System will close exactly at the deadline and no extensions will be made.

At this stage, a formal agreement between the companies need not be in place, although it is quite common to find a joint Memorandum of Understanding (MOU).

## **2.3. Step 3: BIRD's Review of the Executive Summary of Project Proposal**

[Feasible timeframe: 2.5 weeks from the process start]

Within no later than a week following the deadline for the submission of the complete and signed Executive Summary of Project Proposal, BIRD will issue their written recommendation to the companies regarding whether or not to proceed to the next step in the application process – the

preparation and submittal of the full project proposal.

## 2.4. Step 4: Preparation and Submission of the Full Project Proposal

*[Feasible timeframe: 7 weeks from the process start]*

The companies will jointly prepare a full project proposal, following the detailed instructions given in section 3 below. A draft of the proposal may be reviewed by BIRD's assigned PBC (Primary BIRD Contact), to ensure adherence to BIRD's proposal preparation guidelines, including completeness, clarity and consistency of its contents. The draft proposal must be submitted using [BIRD's Upload System](#). After incorporating all changes and enhancements recommended by the PBC, the companies must upload the final proposal to [BIRD's Upload System](#).

There is a formal deadline in the project proposal process. The upload system will be closed on the deadline schedule specified on BIRD's website. In order to ensure that a proposal be approved at the next scheduled meeting of BIRD's Board of Governors (BOG) (see Step 7, below), the proposal and all accompanying required information and documentation need to be submitted prior to the specified deadline. Furthermore, failing to comply with all the instructions and requirements set forth for the preparation of the proposal will cause the rejection of the proposal and it will not be considered a candidate for BIRD support.

## 2.5. Step 5: Meetings with Company Officials during BIRD's Company Site Visit

*[Feasible timeframe: Anytime between 4-10 weeks from the process start]*

As a step in the application process, a BIRD representative will meet with top management and with key technical and business executives from each of the two participating companies who are familiar with the proposed BIRD project. This will be done during a scheduled visit to one of the development or operating sites of each company. The company site visit will usually take place between the date of submittal of the Executive Summary (see Step 2, above) and the week preceding the BOG meeting (see Step 10, below).

The purpose of a company site visit is usually to introduce BIRD to the company's relevant personnel, to answer questions they might have regarding BIRD's assistance model, procedures and timetable. It also provides BIRD with the opportunity to get to know the people relevant to the project, better understand the company's capabilities and commitment to the project as well as its role in the development and commercialization of the joint product.

## 2.6. Step 6: Proposal Review and Grading by the IIA/NIST Reviewers

*[Feasible timeframe: Usually within 11-12 weeks from the process start]*

Both the reviewers from the Israel Innovation Authority (IIA) and the NIST will receive a copy of the full project proposal for review.

The reviewers are independent professionals with specific technological and business background relevant to the reviewed project. The main questions the reviewers will address are:

**The Product and the Technology** – What is the extent of technological innovation in the product to be developed? Is the technological approach sound? What are the technological challenges and assessment of the technological risks? What competing technologies exist and what are their relative disadvantage? What is the project's technological maturity and level of readiness for demonstrations and pilots?

**The Project Plan** – Is the plan viable and realistic? Is there anything missing (i.e., who, what, where, when etc.)?

**The Budget** – Is it realistic? Does it contain unnecessary expenses, or does it lack others that are crucial?

**The Market** – Is the estimate of the market size, market share and commercial potential realistic? Who are or will be the main competitors in this market?

**Production plans** - Is the plan viable and realistic? Is there anything missing (i.e., who, what, where, when? etc.)

**Capabilities of the Companies** – The qualifications of the development teams and their ability to successfully carry out the development objectives. The resources available to carry out the marketing/sales and sales support responsibilities.

**Synergy between the Companies** – How well do you think the companies will work together and perform over the course of this project?

**Benefits** – What benefits is the project expected to yield to both companies and to the Israeli and US national economies?

After reviewing their proposal, the IIA reviewers will conduct a virtual meeting with both companies to discuss the project, get to know the people, and expand on specific issues they will seek more information or clarification on.

The NIST reviewers work according to US Federal guidelines for such reviews and will base their evaluation only on the proposal submitted. The reviewers might request companies to clarify and expand on topics not sufficiently covered in the proposal or to relate to comments raised by them. Such requests will be conveyed to the applying companies, typically through the PBC, and the companies are expected to respond to these specific questions/comments promptly. Both the IIA and the NIST will submit to BIRD the review summary and their recommended grading of the project proposal. The project's grading from the IIA, the NIST and from BIRD will be presented to BIRD's Board of Governors (BOG) and its advisors and will serve as supporting material in the project approval process.

## **2.7. Step 7: Decision on the Proposal by BIRD's Board of Governors**

*[Feasible timeframe: Usually within 12 weeks form the process start]*

BIRD's Board of Governors (BOG) convenes twice a year to act upon grant applications (amongst other issues on its agenda). The BOG meetings are typically held every June and December, alternating between Washington, D.C. and Israel.

The BOG is comprised of six members with voting rights on proposals: three representatives each from the U.S. and Israeli governments. In addition, the advisors to the BOG are present at the meetings.

Usually, the BOG will act on the project proposal by making one of the following decisions:

1. Approve a Conditional Grant for a specified sum (never higher than 50% of the project's budget in the proposal);
2. Not approve a Conditional Grant.

The BOG's decision will be conveyed in writing to both applying companies within a few days after the BOG meeting. If a Conditional Grant has been approved, the applicants will have up to Three (3) months to materialize this approval by signing with BIRD, the Cooperation and Project Funding Agreement (CPFA), as described in Step 10, below. Note that the expectation is that this agreement will be signed within 3-6 weeks after the BOG approval, the 3 months deadline defines when the

approval is automatically revoked (unless an extension is specifically approved by BIRD).

## 2.8. Step 8: Financial Status and Funding Resources Clearances

*[Feasible timeframe: Within 1-2 months after grant approval]*

If either the Israeli or the U.S. company is a relatively young and small private company, BIRD will usually conduct a short financial analysis of the company to determine the following:

1. Current tangible financial resources available to the company;
2. Financial ability of the company to cover the expenses associated with its overall operation (and not only the expenses stemming from the BIRD-supported project) for a future period at least as long as the duration of the BIRD project.

The financial analysis is based on financial reports and a short questionnaire completed by the company and submitted with the proposal. At this stage BIRD may require a detailed discussion with either company or both (separately) to further clarify their financial situation.

Should the company not be able to substantiate item (2), above, from the availability of current tangible financial resources described in (1), above, the company's owners may be asked to provide BIRD with financial guarantees. Failure to provide satisfactory guarantees for item (2), above, will prevent the signing of the CPFA and payment of the BIRD grant.

## 2.9. Step 9: Bilateral Agreement

*[Feasible timeframe: To be signed no later than within 1 month after project approval]*

BIRD requires that, prior to the signing of the CPFA (see Step 10, below), a bilateral agreement be in place between the Israeli and U.S. companies participating in the BIRD project. A copy of this "bilateral agreement" should be submitted to BIRD for approval and eventually a signed copy should be submitted before the CPFA can be signed. Please note that in any instance in which a provision of the bilateral agreement contradicts a provision of the CPFA, the provision in the CPFA shall prevail unless explicitly agreed to in the CPFA.

While BIRD is not part of this agreement, nor is BIRD involved in formulating and negotiating this agreement, we would like to see at least the following topics covered in it:

- The revenues and profit-sharing arrangement between the two companies for the jointly developed product
- The arrangement between the two companies regarding joint repayment of the Conditional Grant to BIRD, and the offsetting arrangement in the event that one company repays BIRD more than its relative share in the BIRD grant actually received
- The arrangement between the two companies regarding preparation and timely submission of the periodic fiscal and technical reports to BIRD throughout the development stage of the project

NOTE: *It should be understood by both companies that, as BIRD is not a party to the Bi-Lateral Agreement, this agreement does not, in any way, affect any clauses in the CPFA signed between BIRD and the two companies.*

## 2.10. Step 10: Preparation and Signing of the CPFA

*[Feasible timeframe: Goal is to sign within 4-6 weeks after grant approval and in any case no later than within 4 months after grant approval]*

BIRD is responsible for the preparation of the CPFA, which is signed by the Israeli and U.S. companies as one side (referred to in the CPFA as "the Proposer") and BIRD as the other.

The preparation of the CPFA commences after the project is approved by the BOG, but we recommend that legal departments or companies' legal advisors be made aware of this agreement as early in the process as possible. Although it is a standard-form agreement (see Section 5.2.1.), it is customized to any specific project based on information found in the project proposal (Step 4, above), including:

- The effective date (project start date) of the agreement, (may be as early as the 1st day of the third month prior to signing the CPFA)
- The project duration (taken from the proposal cover page)
- The project title (taken from the proposal cover page)
- The Product definition in Annex F – typically taken from the proposal. BIRD requires the Product definition to be a function/ feature type definition
- The project managers from both companies (taken from Section N of the proposal)
- Mailing and office addresses of both companies (taken from the proposal cover page)
- The program plan (GANTT chart), which constitutes Annex D of the CPFA (taken from Section F of the proposal)
- The project budgets of each company, which constitutes Annex A of the CPFA (taken from Section L of the proposal)

NOTE: *If the approved conditional grant is less than 50% of the total project budget in the proposal, the companies are asked to submit to BIRD (in softcopy, as an Excel workbook) revised budgets for the two companies, totaling exactly twice the amount of the approved conditional grant. The companies are free to select which expense items in the budgets are to be partially included or excluded completely in the revised budgets, provided that one of the company's revised budget is not less than 30% of the combined revised budgets.*

*Kindly note that the revision of the budgets does not in any way change the obligation of the companies to carry out all the work on the project as described in the proposal.*

It is recommended that the standard CPFA form be reviewed by the legal representative of each company as soon as possible and requests for modifications to the CPFA, if needed, be submitted in writing to BIRD no later than within 2 weeks from project approval. BIRD will only consider requests for minor textual modifications of the CPFA.

Upon completion of the CPFA preparation by BIRD and execution of Steps 8 and 9 of the application process (see above), BIRD will send a digital copy of the CPFA to both companies for an authorized signature. After being signed by BIRD's Executive Director, a fully signed copy will be returned to each company.

The signing of the CPFA by all 3 parties to the agreement (the Israeli company, the U.S. company and BIRD) is a pre-requisite for transfer of the first grant payment by BIRD to both companies, which is usually implemented within a few days.

### 3. Proposal Preparation Guidelines

#### Introduction

The companies are required to submit the joint Project Proposal in compliance with the guidelines outlined in this document. The proposal will address the following aspects: Product Description and Innovation, Project Execution and Cooperation, Marketing and Commercialization Plan, and additional relevant information requested regarding the cooperation between the parties.

The proposal should be coherent, comprehensive, and detailed, **with a maximum length of 60 pages**. (Feel free to remove the instructions from the proposal to gain more space). Please make sure to use either Arial or Calibri font with a font size of 11. Additionally, ensure that the uploaded document does not exceed 8 MB in size.

BIRD expects applicants to adhere strictly to the instructions, ensuring that all requested information is provided. Full compliance with the template and format is required, including section numbering/designation and section captions/titles.

*Kindly note that proposals that do not conform to these content, format or size requirements will be automatically disqualified.*

We encourage partners to submit a draft proposal before submitting the final version for review by the BIRD staff. Please submit the draft proposal at least one week before the final submission deadline, so the BIRD team will have the time to review it as part of the process.

The Project Proposal should be submitted to BIRD's upload system: <https://upload.birdf.com>.

**The full submission will include the upload of each of the following files, separately:**

- ▶ Certificate of incorporation – for each company (pdf)
- ▶ Project proposal in Word
- ▶ Project proposal in PDF
- ▶ Budget for IL company
- ▶ Budget for US company
- ▶ Gantt chart
- ▶ Signatures Page (using the Cover page of the Proposal)

#### **For private companies:**

▶ (i) **Last available financial reports**. These reports are uploaded separately by each company. The information is accessible to BIRD personnel only and not to the partnering company.

▶ (ii) **List of shareholders** via a specific Excel file template which can be found on: <https://www.birdf.com/guidelines-submission/>. This file should be uploaded on BIRD's Upload System: <https://upload.birdf.com>.

This specific shareholder information will be shared only with BIRD personnel and the Board of Governors, and not with the collaborating company or the evaluators.

**Note:** Failure to submit this shareholder information from either company, as applicable, will result in an incomplete submission and the Proposal will not be accepted.

The following is a detailed description of the required contents of each section:

## A. Cover Page

**ALL THE REQUESTED INFORMATION IS MANDATORY.  
DO NOT MAKE ANY CHANGES TO THE FORMAT.**

**To:** Israel-U.S. Binational Industrial Research and Development Foundation

**From:** Israeli Company **Insert IS Co. Name** (as appears in the Certificate of Incorporation)

Office Address -	Mailing Address (not an e-mail address) -
Telephone No.:	

\* An Israeli address and telephone number are mandatory

**From:** U.S. Company **Insert U.S. Co. Name** (as appears in the Certificate of Incorporation)

Office Address -	Mailing Address (not an e-mail address) -
Telephone No.:	

\* A U.S. address and telephone number are mandatory

**Project Title:**

--

**Project Duration:** \_\_\_\_\_ months

**Project Budget:** \$ \_\_\_\_\_ <sup>(1)</sup>

	Israeli Company Authorized Company Official	U.S. Company Authorized Company Official
Submitted by:		
Signature:		
Printed Name:		
Title:		
E-mail:		
Date Submitted:		

(1) Project Budget – must match the sum of the companies' budgets as presented in the proposal.

## B. Table of Contents (including page numbers)

There must be strict adherence to section numbering.

## C. Executive Summary (Up to 5 pages)

Please insert the updated Executive Summary of the Project and ensure that the information of the project title, project duration, and project budget is up to date. You are welcome to revise the Executive Summary with any new details, insights, or updates gathered during the proposal preparation period. (No need to include the signatures of authorized company officials again).

### **Executive Summary of BIRD Project Proposal** **(Maximum 5 pages)**

	Israeli Company	U.S. Company
Full company name (as appears on the Certificate of Incorporation)		
Company locations (headquarters and relevant division address, including full street address, state, city, zip code) – not only P.O. Box		
Company website	www.	www.
Year established		
Revenues: most recent fiscal year _____	\$      million	\$      million
Increase / (Decrease) over previous year	%	%
Number of employees		
Ownership (Public / Private)		
Percentage ownership of the company by the other company (if relevant)		
Relationship of the companies – - Parent/Subsidiary - Common Ownership - No common relationship - Other		
Number of previous BIRD projects		

Israeli Company Registration Number	
U.S. Company DUNS Number	

Project title	
Project budget (\$)	\$
Project duration (months)	months

1. **Abstract:** A summary, **no more than 20 lines**, describing the essence of the project and its expected outcome. The abstract should be self-explanatory to someone who has no previous knowledge in the field.
2. **Companies Background:** Describe the major technical, marketing, and financial assets and strong points of each one of the two companies that are relevant to the successful completion of the proposed development project, and to its successful commercialization. Describe the characteristics and qualities possessed by each company that would make it a good strategic partner to the other company. (Please insert as section 2.1 and 2.2)
3. **The Innovation:** Provide a concise description of the product / technology to be developed within the project, including its uniqueness, its innovation, and how it will satisfy market needs that are not met today.
4. **Collaborative Relationship:** Describe the anticipated role of each company during the development project and during product commercialization. Indicate approximately how the development budget will be split between the two companies, and from where the non-BIRD portion of the project expenses will be obtained. Describe the expected basis and arrangement between the two companies regarding sharing of revenues, IP and other benefits during commercialization.
5. **Commercial Potential:** State the estimated relevant market size for the developed product, and the expected market share after 1-3 years of commercialization. (Please indicate the sources employed in deriving this forecast.) Estimate the volume and the total \$ value of direct sales revenue expected to result from the developed products over each one of the first 3 years of commercialization.

Calendar year	20xx	20xx	20xx
Target market size for developed product (M\$):			
Estimated market share (%):	-	-	-
Estimated sales quantity (units):	-	-	-
Estimated representative unit price (\$/unit):			
Estimated sales revenue (\$):			
Estimated cumulative sales revenue (\$):	0	0	0

## D. The Innovation (Up to 7 pages)

This section should address the following:

How are things done in this area today? What is the current state-of-the-art for the target markets?

1. What are the limitations of the current technologies in the market? This is your opportunity to elaborate on the shortcomings that exist in the proposed product area as a prelude to the description of the innovation and how it overcomes these shortcomings.
2. What is the product concept? Sketches, diagrams, and tables should be included to help describe the product. This description should clearly identify in which way the innovation overcomes current limitations. Provide the work done so far including test and validation results to substantiate the claim that the goals of this project are achievable. Sketches, diagrams, and tables should be included to help understand the innovation status.

3. Is this a unique product? Why do you believe it will be successful? How will the product differ from those on the market today?
4. What is the patent situation, including background patents and the potential for new patents?
5. Which regulatory and technical standards are relevant to the developed product? Will the proposed product meet current and/or emerging standards?
6. Were any of the companies funded by other Israeli and/or U.S. government agencies (such as the Israel Innovation Authority, the NIH, DHS, SBIR etc.), which have supported any part of the innovation development thus far?
7. Are there any obligations to other government agencies?

## E. Proposed Project Execution

This section of the proposal is to be organized in three parts: "Analysis of the Problem", "Proposed Approach" and "Analysis of the Project's TRL":

### E.1. R&D Program

The purpose of this section is to provide a credible foundation for the proposed program by identifying areas that require attention and emphasizing challenges that must be resolved to achieve the program objectives. Here are the key points to be addressed:

1. **Required Properties and Functions:** Define the desired properties and functions of the end-product to be used in the market environment. Explain how market input has played a vital role in formulating these specific characteristics.
2. **Challenges and Technological Issues:** Identify and describe the challenges associated with realizing the required properties and functions. Discuss the technological issues and economic constraints that need to be addressed to achieve the program's objectives. Additionally, mention the technological resources available to the companies to address these challenges.

In summary, this section focuses on defining the desired properties and functions of the end-product, as well as identifying and addressing the challenges and technological issues that need to be overcome to reach the desired outcome.

### E.2. Project Execution Strategy

This section outlines the **general plan**, highlights the **techniques and methods** for product development along with relevant experience, addresses how you plan to mitigate the **technical or economic constraints**, and provides a comprehensive breakdown of tasks with their objectives, contents, resource requirements, and responsible parties.

1. **General Plan:** Present an overall plan of the proposed effort, including milestones and deliverables necessary to achieve the program's objectives. Focus on straightforward descriptions of "what has to be done" without delving into discussions on problem-solving approaches.
2. **Techniques and Methods:** Describe the techniques and methods that will be used for developing the product. Provide evidence of relevant experience in developing similar products to demonstrate a valid experience base.
3. **Technical or Economic Constraints:** Discuss any technical or economic constraints that need to be considered during the development process.
4. **Task Identification and Description:** This section constitutes the core technical aspect of the proposal. Each task will be carefully identified and thoroughly described, including its objective, contents, required resources, and the responsible company. Any potential challenges will be acknowledged, along with the proposed approach to mitigate these constraints effectively. Additionally, if the involvement of other consultants or subcontractors is anticipated for completing the task, it will be stated here.

- a. Define **up to 15 specific and measurable tasks** to be carried out throughout the development phase of the project. Number and name each one of the tasks.

NOTES:

- (1) There must be **complete consistency** in the numbers, names, start date and finish date of the tasks listed here and those listed in the Program Plan (see Section F) and Project Budget of each company (see Section L), below.
- (2) The defined tasks must be identical for both companies. Each specific task may be executed by one company, the other, or jointly by both. Thus, the Excel budget workbook of the two companies (see Section L, ahead) will list precisely the same tasks. However, if one of the companies does not participate in the execution of a specific task, the company will not include any budget for that task.
- b. Describe, for each task, the specific approach that will be employed. Detail the specific techniques to be used to solve the previously identified problems. Thus, in this section, the companies demonstrate that not only are they aware of the state-of-the-art in their industry and the limitations of current practices (D.1.), but they also have an innovative idea (D.2.), understand the challenges associated with developing the idea to commercial readiness (E.1.) and know how to deal with constraints and challenges. For each task, provide supporting information that justifies the selected approach, where appropriate.
- c. Describe for each task - How the task is implemented (technologically); Describe the ACTUAL R&D to be done: what tools/algorithms/methods will be used and implemented. If data is needed, where will it come from and how it is tagged etc. What is the technological innovation, provide supporting information (preliminary testing/validation/POC/publications) which justifies the specific approach, where appropriate.
- d. Describe for each task - What is a measurable outcome (KPI) of the task - how does the company evaluate that the task is complete.
- e. Since the final objective is a product or process, tasks addressed should include compliance to standards (or why the product will not comply with relevant standards), prototyping, regulatory approvals, beta testing, exhibitions, marketing activities, documentation, etc. For those tasks relating to "testing", for example, details should be given as to what is to be tested, how many tests are needed, test objectives, test methodology, expected results, etc., rather than writing "tests will be performed".
- f. Discuss alternate approaches to resolving problems and the basis for selecting the preferred solution. Even if a preferred solution has not yet been identified, the various alternatives should be reviewed, along with their pros and cons.

Please use the following [“Detailed Task Description Form”](#) to complete the information required for each task in section 4 above, following the line-by-line instructions below:

<b>Line 1:</b>	Task # should be the same as in the Excel Budgets (Section L) of both Companies and as in the Program Plan (GANTT) (Section F).
<b>Line 2:</b>	Task name should be the same as in the Excel Budgets (Section L) of both Companies and as in the Program Plan (GANTT) (Section F). The name should not be longer than 40 characters.
<b>Line 3:</b>	Mark with an “x” which Company is taking part in the task. A company participating in a given task should have a budget for the task (Line 7, below).
<b>Line 4:</b>	Task duration should be the number of days between the start and end dates of the task and should be given in whole numbers. It should be the same as in the Excel Budgets (Section L) of both Companies and as in the Program Plan (GANTT) (Section F).
<b>Line 5:</b>	The start and end dates of the task should be given in a DD/MM/YY format and should be the same as in the Excel Budgets (Section L) of both Companies and as in the Program Plan (GANTT) (Section F).
<b>Line 6:</b>	Insert the name of the US and the IL Cos. (fill it out once for all task tables).
<b>Line 7:</b>	The task budgets for each Company should be extracted directly from the “Tasks Report” tab in the Excel Budget of each Co. and should be given in units of K\$.
<b>Line 8:</b>	Insert the % of the total task budget attributed to each Co. (derived from Line 7).
<b>Line 9:</b>	Describe the overall objective / goal of the task, in 1-3 sentences.
<b>Line 10:</b>	Provide a textual description (no size restriction) of the main task activities.
<b>Line 11:</b>	Insert which milestone(s) are to be reached in this task, as given in the <b>“Milestones and Deliverables Form”</b> (found at the end of this section).
<b>Line 12:</b>	Insert which deliverable(s) are to be provided in this task, as given in the <b>“Milestones and Deliverables Form”</b> (found at the end of this section).

### Detailed Task Description Form

1.	<b>Task #</b>			
2.	<b>Task name</b>			
3.	<b>Company taking part in task (mark with “x”)</b>	<b>IL:</b>	<b>US:</b>	<b>Both:</b>
4.	<b>Task duration (days)</b>			
5.	<b>Start date (DD/MM/YY)</b>		<b>End date (DD/MM/YY):</b>	
6.	<b>Company name:</b>	<b>IL:</b>	<b>US:</b>	
7.	<b>Task budget (K\$):</b>			<b>Total:</b>
8.	<b>Task budget (% of total):</b>	<b>%</b>	<b>%</b>	<b>100%</b>
9.	<b>Objective of task:</b>			
10.	<b>Task Description:</b> (no restriction on size)			
11.	<b>Milestone(s) to be reached:</b>			
12.	<b>Deliverable(s) to be provided:</b>			

**5. Setting Milestones:** Some of the tasks defined in item 4, above, should have **measurable milestones to reach**, as an indication of task completion. The following guidelines apply in setting the milestones:

- a. Each milestone must have a specific **target date** by which it is expected to be reached, preferably (but not compulsory) at the **end of a specific task**.
- b. The milestone description must relate to how it is going to be measured, so that both the Project managers and the BIRD staff can verify if it has been reached.
- c. At least 1 milestone should be defined to be reached within each Project segment.

Please use the [“Milestones and Deliverables Form”](#) to complete the information required for each milestone, as listed in items a-c, above.

**6. Provision of Tangible Deliverables:** Some of the milestones defined in item 5, above, should have **tangible** deliverables to provide, as an indication of task, milestone or Project completion. The following guidelines apply in specifying the deliverables:

- a. Each deliverable must have a specific **target date** by which it is expected to be completed, preferably (but not compulsory) at the end of a specific task or milestone.
- b. Each deliverable must include a physical hardware or software object / component / product with defined characteristics / specifications / features that can be measured and compared to a given planned target.
- c. There must be **at least one** tangible deliverable **at the completion** of the Project.

Please use the form **“Milestones and Deliverables Form”** to complete the information required for each deliverable listed in items a-c, above, and paste it to Section E.2. of the Proposal. Fill-out only the white cells.

### Milestones and Deliverables Form

#	Milestone Definition / Description and how it will be Measured	Milestone Date (MM/YY)
1		
2		
3		
4		
5		
#	Deliverable Definition & Description	Deliverable Date (MM/YY)
1		
2		
3		[end of project]

### E.3 Analysis of the Project's TRL (Up to 2 pages)

This section aims to establish the project's Technology Readiness Level (TRL) **before** the project's inception and **following** the project's completion. It is essential to explain the gap between the current product TRL (before the project initiation) and its TRL by the end of the project and explain in short how the project activities will fill this gap.

You are asked to review the **TRL DEFINITIONS** (See **APPENDIX below**) and identify the project's current TRL based on the definitions provided in this table and your acquaintance with the current status of the project. You are asked to substantiate this assertion with examples.

You are also asked to predict the project's TRL following its completion and to justify this prediction based on the project's goals and deliverables (as provided in section E.2), and the project's plan (as provided in section F).

Use the following two templates to provide your analysis. Please provide the most relevant examples.

Identify Project's TRL prior to the Project Inception	Examples substantiating the project's TRL prior to Project Inception
(Provide here the current TRL)	(Free text explaining your choice)
	(Examples of achievements that were accomplished prior to the project's inception that will support your choice) – Example 1
	(Examples of achievements that were accomplished prior to the project's inception that will support your choice) – Example 2

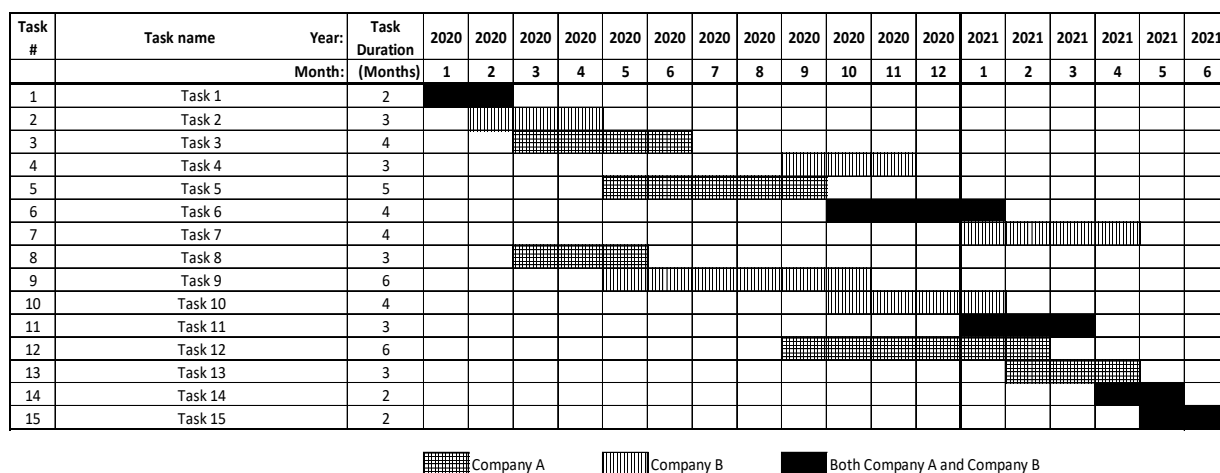
Expected Project's TRL by the Project Completion	Examples substantiating the project's expected TRL by the Project's Completion (based on the Goals and Deliverables provided in section E.2)
(Provide here the expected TRL)	(Free text explaining your prediction)
	(Example of Goals and Deliverables from Section E.2 that will support your prediction) – Example 1
	(Example of Goals and Deliverables from Section E.2 that will support your prediction) – Example 2

## F. Program Plan - Graphical Form (Up to 2 pages)

The Program Plan should consist of a chronological schedule of program activities, defined as detailed tasks and presented in graphical form (GANTT chart). The following guidelines should be followed in preparing the GANTT chart:

- a. The tasks in the GANTT chart should coincide with the assigned number, name, start date and finish date, defined in item 4 of Section E.2. (above) and in the companies' budgets (section L, ahead).
- b. Task responsibility - for each task, show graphically which of the two companies will be responsible for its execution. Since both companies can share responsibility to execute the same task, show this graphically as well.
- c. The Program Plan (GANTT) should encompass the entire duration of the Project.
- d. The time axis of the GANTT chart should have a resolution not less than quarters but not more than months.

An example of a typical summary GANTT chart is illustrated below:



Should the project be approved, an updated summary GANTT representing the Program Plan will be incorporated into the **Cooperation and Project Funding Agreement (CPFA)** and will be used by the Foundation in monitoring project progress.

NOTE: The Program Plan (GANTT) should be one of the files to be uploaded separately to the BIRD Upload System site as a component of the Proposal.

## **G. The Market - (Up to 3 pages)**

This section covers market analysis, market needs, performance, price, manufacturing cost, market size and growth, market share, competition, and regulatory barriers. Construct this section based on the following subjects.

1. **Market Needs:** Identify the market needs being served and whether the companies are currently active in developing and selling similar products. Provide the basis for these market needs.
2. **Performance, Price, and Production Cost:** Define the required performance features and planned selling price to penetrate the market successfully. If the product is part of a more extensive system, explain the leverage it provides to the entire system. Add a discussion on pricing considerations, including planned BOM.
3. **Market Size and Growth:** Determine the current market size in terms of physical units and value in US dollars. Assess the companies' current market share and project the expected growth rate over the product's sales window. Identify any factors that could significantly alter this projection.  
**Market Share and Sales:** Estimate the expected market share captured in the first year and over the product's lifetime. Specify the number of units sold each year and the unit selling price to third parties. The quantitative estimate of the above market size and share of the above revenue forecast should be summarized and presented in the table appearing in the updated Executive Summary chapter.
4. **Additional Market Information:** Include any relevant materials like product brochures, expressions of interest from potential customers, marketing agreements, etc.
5. **Regulatory Barriers:** Identify potential regulatory barriers and describe how they will be overcome.
6. **Competition:** Assess existing or expected competition, including competing companies, their products, performance, and prices. You can use a competition comparison table. Evaluate the impact of competition on the proposed product's commercialization. Identify the value proposition of the product in comparison to the competition.

## **H. Commercialization – Plans and Prospects - (Up to 3 pages)**

Product Manufacturing, Marketing, Sales Activities and Resources

This section discusses important considerations for a solid commercialization program. It raises the following questions:

1. **Production (if relevant):** Will both companies be involved in production? How can the proposed product manufacturing be integrated into existing facilities? If outsourcing is planned, which company will be primarily responsible, and what potential subcontractors could be used?
2. **Marketing and Sales:** What is the planned Go-To-Market strategy? Which company will handle marketing, sales, and sales support? If both, what role will each company play? What are the current sales activities of the companies in the target market segments and geographical regions?
3. **Sales and Service Network:** Do the companies have an existing sales and service network? If not, how do they plan to establish one, and what resources are needed?

## **I. Economic and Social Impact and Cooperation – (Up to 2 pages)**

### **I.1. Economic Impact**

An important factor is the benefit to Israel and the U.S. in the form of new export markets, new employment opportunities, new capital formation, productivity improvements, etc. Please elaborate on issues which are relevant to the project's economic outcome and impact.

### **I.2. Social Impact**

The social contributions of the project are addressed in this section. It emphasizes the social impact of the joint project throughout its lifetime and beyond. The summary should elaborate on various aspects, including the expected environmental impact (positive or negative), sustainability of product consumption and production, and contributions to fields such as health, education, improved nutrition, sustainable agriculture/energy/industrialization/transportation/cities.

### **I.3. Cooperation between the Companies and Risk/Revenue/Profit Sharing**

This section focuses on the projected mode and extent of cooperative activity between the companies. It highlights the importance of risk-sharing during product development and commercialization. Evaluating the proposal involves assessing the financial exposure shared by both companies and the expected benefits during product commercialization. The summary should elaborate on the agreed-upon roles, risk/revenue/profit-sharing, and the business relationship between the two companies.

Please indicate specifically what has been already agreed between the companies and what is left to be discussed if and when your project gets approved.

## **J. The Companies and Their Resources – (Up to 2 pages)**

Please provide information about each of the companies, including the following:

- 1. Financial Information:** Provide validated financial information demonstrating the companies' resources to cover their project cost and support commercialization. Include expected and realized annual revenues from the past two fiscal years, along with profitability indications.
- 2. Relevant Facilities and Infrastructure:** Describe facilities, equipment, and infrastructure expected to be utilized during the project and commercialization phase.
- 3. Integration with Existing Structure:** Assess the extent to which the proposed project can be absorbed into each company's existing structure. Identify available staff, equipment, facilities, and the need for hiring, obtaining capital equipment, or expanding manufacturing operations.
- 4. Achievements and significant milestones:** mention the company's achievements in relation to the relevant project's aim such as raised funds, competitions, prominent board members, and any other achievement that reflects the company's capabilities.
- 5. Previous BIRD-Funded Projects:** If applicable, describe prior BIRD-funded projects, including program scope, duration, and commercial outcomes such as revenues from BIRD product commercialization and repayments. Discuss the future commercial potential of products developed in previous BIRD projects.

In summary, this section addresses financial information, relevant facilities, integration with existing structure, previous BIRD-funded projects, and relationships with other supported projects.

## K. Organizations (Up to 3 pages)

1. Provide an organization chart for the project, identifying each company's project manager and the overall program manager and indicate the relationship of this ad hoc organization to the formal hierarchies in the companies. Identify the program's key project personnel and their responsibilities.
2. Regarding staff – indicate positions to be filled by new employees and identify the status of these staff.
3. Identify the role of key consultants and subcontractors on the organization chart and indicate if a relationship between the consultants/subcontractors and the companies currently exists.
4. Please provide concise bios (up to 140 words each) for key project personnel. Include their roles, job titles, and relevant experience and accomplishments directly tied to their positions in the project.

## L. Project Budget

### L.1. Introduction and General Guidelines

The budget should include all development and marketing expenses directly associated with the project that will be incurred by each company throughout the entire development phase. Each company should download the budget template (Excel file) found on the BIRD website and fill in the details that depict its planned expenses during the project, following the instructions provided in this section.

**A separate budget should be prepared and presented for each company's activities and should cover the entire duration of the project, as proposed. To uphold confidentiality, each company shall be responsible for uploading its respective budget file to BIRD's Upload System. The aggregate project budget shall be the summation of the budgets submitted by the two collaborating partners.**

**Kindly note:** Neither partner's portion in the combined budget can be less than 30% of the total.

BIRD's funding of the project commences on the Effective Date (start date) of the BIRD project, which can be no earlier than the 1<sup>st</sup> of the next month after signing the CPFA. Expenses incurred prior to the Effective Date won't be accepted by BIRD.

Before starting the budget-building process, you should already have available:

- a. The definition of up to 15 major tasks (activities), including the number and name (short textual description) of each task. These tasks should completely coincide with the tasks defined and described in the section "Proposed R&D Program/Proposed Approach" (Section E.2), above.
- b. The start date and completion date of each task (in day/month/year format), or as a default, the duration (in days) of each task. The tasks should completely coincide with the GANTT chart presented in the section "Program Plan" (Section F), above.

## L.2. Step by Step Explanation on Budget Preparation

Each company should prepare its budget in a detailed fashion, using the format for each specific "Task Budget" and the format of the "Total Budget" (shown below), while referring to the instructions and explanations below.

*NOTE: The detailed budget components, the calculation of these components and the presentation of the budget in the format presented here have been incorporated in an Excel workbook. This workbook is available to the Proposer (please download it from BIRD's website).*

1. Proceed to build your company's budget- You can start the process with any of the tasks and in any order, by activating the corresponding worksheet labelled Task 1 through Task 15 (see pages below for the format of "Task Budget:"). You are asked **to relate only to the input data cells**, by entering data only in the yellow-coloured cells.

*NOTE: Instructions and comments related to specific expense components and data items are given for items colored light green. You can read the comments by pointing to the specific cell. The instructions and comments are also given below.*

2. Whenever there is a need to define the name of a specific expense, such as the name and profession of a specific employee (in direct labor), the name and purchase cost of a specific equipment item, the name of a specific expendable material, etc., enter the definition in the appropriate location (always in a yellow-colored cell) of the "Total Budget" worksheet. The information you enter in the "Total Budget" worksheet will be copied to and will appear in all the Task worksheets.

*NOTE: If the formats of specific input cells do not provide you enough space to insert a meaningful description of the expense items, please attach an appendix to the budget form containing the referenced full-length description of these expense items.*

3. After defining a specific expense, return to the Task worksheet you have started to work on and complete the input information concerning the specific expense (again, by entering data only in the yellow-colored cells). Repeat this sequential procedure for all the expense categories relevant to the Task.

4. Follow the procedure described in Section 2-3 above for all the Tasks in your project. The total cost of a Task will be calculated at the bottom of the Task worksheet (including all built-in overhead allowances) and will also appear in the "Tasks Report" summary worksheet, itemized by expense type.

5. The cumulative values of all the expense components in all Tasks will appear in the "Total Budget" worksheet, at the corresponding location of the expense component in the Tasks worksheets.

**NOTE: Please do not attach the budget worksheets of the individual tasks to the proposal document. The complete Excel workbook softcopy of the "Task Budget", which includes the individual budgets of each task, should be uploaded separately to BIRD's upload system.**

6. The budget can only include expenses incurred in Israel and in the US.

7. **For any item that is over \$50,000, we ask that you provide a breakdown and more detail.**

## Format of the Task-Based Budget Form

Co. Name: <input style="width: 100%;" type="text"/>		Task #:	<input style="width: 100%;" type="text"/>	Task name:	<input style="width: 100%;" type="text"/>
<b>PROPOSED TASK BUDGET</b>		From date:	<input style="width: 100%;" type="text"/>	To date:	<input style="width: 100%;" type="text"/>
		Task duration:	<input style="width: 100%;" type="text"/> 0 days		

IS	US	Description	Details	Cost (\$)	Total (\$)			
		<b>I. Direct Labor</b>						
		Employee's Name (TBD if yet unknown)	Employee's Profession	Employee Location	Gross Annual Salary* (\$)	% on Task	No. of Days in Task	Cost to Project (\$)
		Empl. 1:			-		0	0
		Empl. 2:			-		0	0
		Empl. 3:			-		0	0
		Empl. 4:			-		0	0
		Empl. 5:			-		0	0
		Empl. 6:			-		0	0
		Empl. 7:			-		0	0
		Empl. 8:			-		0	0
		Empl. 9:			-		0	0
		Empl. 10:			-		0	0
		Empl. 11:			-		0	0
		Empl. 12:			-		0	0
		Empl. 13:			-		0	0
		Empl. 14:			-		0	0
		Empl. 15:			-		0	0
		Empl. 16:			-		0	0
		Empl. 17:			-		0	0
		Empl. 18:			-		0	0
		Empl. 19:			-		0	0
		Empl. 20:			-		0	0
		Total, Direct Labor						
		Overhead @ 25%						
		Subtotal, Direct Labor + Overhead						0
		<b>II. Equipment</b>						
		Purchased Equipment Description	Purchased Cost (\$/unit)	No. of Units	% On Task	% Annual Depreciation	Depre-ciation (\$)	
		Item 1	-	-		33.3%	0	
		Item 2	-	-		33.3%	0	
		Item 3	-	-		33.3%	0	
		Item 4	-	-		33.3%	0	
		Item 5	-	-		33.3%	0	
		Item 6	-	-		33.3%	0	
		Item 7	-	-		33.3%	0	
		Item 8	-	-		33.3%	0	
		Item 9	-	-		33.3%	0	
		Item 10	-	-		33.3%	0	
		Subtotal, Purchased Equipment					0	
		Leased Equipment Description	Monthly Lease Cost (\$/unit)	No. of Units	% On Task	Total Leasing Cost (\$)		
		Item 1	-	-				
		Item 2	-	-		0		
		Item 3	-	-				
		Subtotal, Leased Equipment				0		
		Subtotal, Purchased or Leased Equipment						
		<b>III. Expendable Materials &amp; Supplies</b>						
		Description	Cost (\$)					
		Item 1						
		Item 2						
		Item 3						
		Item 4						
		Item 5						
		Item 6						
		Item 7						
		Item 8						
		Item 9						
		Item 10						
		Subtotal, Expendable Materials & Supplies				0		

## Format of the Task-Based Budget Form (continued)

Co. Name: <input style="width: 150px;" type="text"/>		Task #: <input style="width: 50px;" type="text"/>	Task name: <input style="width: 150px;" type="text"/>	
PROPOSED TASK BUDGET		From date: <input style="width: 50px;" type="text"/>	MM/DD/YY	To date: <input style="width: 50px;" type="text"/>
		Task duration: <input style="width: 50px;" type="text"/>	0	days

<b>IV. Travel</b>						
<b>Foreign Travel</b>						
Destination	Purpose	Cost Per Person Per Trip (\$)	No. of Trips	No. of People Per Trip	Duration Per Trip (days)	Cost (\$)
Dest. 1		-		-	-	0
Dest. 2		-		-	-	0
Dest. 3		-		-	-	0
Dest. 4		-		-	-	0
Dest. 5		-		-	-	0
Dest. 6		-		-	-	0
Subtotal, Foreign Travel			0			0
<b>Domestic Travel</b>						
Destination	Purpose	Cost Per Person Per Trip (\$)	No. of Trips	No. of People Per Trip	Duration Per Trip (days)	Cost (\$)
Dest. 1		-		-	-	0
Dest. 2		-		-	-	0
Dest. 3		-		-	-	0
Subtotal, Domestic Travel			0			0
Subtotal, Travel						0
<b>V. Subcontracts</b>						
Service to be Performed	Name of Subcontractor	Country Service Given	Cost (\$)			
Subcont. 1						
Subcont. 2						
Subcont. 3						
Subcont. 4						
Subcont. 5						
Subcont. 6						
Subtotal, Subcontracts			0			
<b>VI. Consultants</b>						
Service to be Performed	Name of Consultant	Hourly Rate (\$/Hr.)	No. of Hours	Cost (\$)		
Consult. 1		-		0		
Consult. 2		-		0		
Consult. 3		-		0		
Consult. 4		-		0		
Consult. 5		-		0		
Consult. 6		-		0		
Subtotal, Consultants			0			
<b>VII. Other Expenses</b>						
Description	Cost (\$)					
Item 1						
Item 2						
Item 3						
Item 4						
Item 5						
Subtotal, Other Expenses			0			
Subtotal task budget, before G&A Expenses			0			
General & Administrative Expenses (G&A) @ 5%			0			
Total Task Budget			0			

## Format of the Proposed "Total Budget" Form

PROPOSED PROJECT BUDGET						
Company name: <span style="border: 1px solid black; display: inline-block; width: 200px; height: 15px;"></span>						
Project duration: <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> months						
<b>I. Direct Labor</b>						
Employee's Name (TBD if yet unknown)	Employee's Profession	Employee location	Gross Annual Salary* (\$)	% on Project	Cost to Project (\$)	
Empl. 1:				0%	0	
Empl. 2:				0%	0	
Empl. 3:				0%	0	
Empl. 4:				0%	0	
Empl. 5:				0%	0	
Empl. 6:				0%	0	
Empl. 7:				0%	0	
Empl. 8:				0%	0	
Empl. 9:				0%	0	
Empl. 10:				0%	0	
Empl. 11:				0%	0	
Empl. 12:				0%	0	
Empl. 13:				0%	0	
Empl. 14:				0%	0	
Empl. 15:				0%	0	
Empl. 16:				0%	0	
Empl. 17:				0%	0	
Empl. 18:				0%	0	
Empl. 19:				0%	0	
Empl. 20:				0%	0	
Total, Direct Labor			* Including social benefits		0	
Overhead @ 25%					0	
Subtotal, Direct Labor + Overhead						0
<b>II. Equipment</b>						
Purchased Equipment Description	Purchased Cost (\$/unit)	No. of Units	% On Project	% Annual Depreciation	Depre-ciation (\$)	
Item 1			0%	33.3%	0	
Item 2			0%	33.3%	0	
Item 3			0%	33.3%	0	
Item 4			0%	33.3%	0	
Item 5			0%	33.3%	0	
Item 6			0%	33.3%	0	
Item 7			0%	33.3%	0	
Item 8			0%	33.3%	0	
Item 9			0%	33.3%	0	
Item 10			0%	33.3%	0	
Subtotal, Purchased Equipment					0	
Leased Equipment Description	Monthly Lease Cost (\$/unit)	No. of Units	% On Project	Total Leasing Cost (\$)		
Item 1			0%		0	
Item 2			0%		0	
Item 3			0%		0	
Subtotal, Leased Equipment					0	
Subtotal, Purchased or Leased Equipment						0
<b>III. Expendable Materials &amp; Supplies</b>						
Description	Cost (\$)					
Item 1						0
Item 2						0
Item 3						0
Item 4						0
Item 5						0
Item 6						0
Item 7						0
Item 8						0
Item 9						0
Item 10						0
Subtotal, Expendable Materials & Supplies						0

## Format of the Proposed "Total Budget" Form (continued)

PROPOSED PROJECT BUDGET							
Company name: <span style="background-color: yellow; border: 1px solid black; display: inline-block; width: 200px; height: 15px;"></span>							
Project duration: <span style="background-color: yellow; border: 1px solid black; display: inline-block; width: 80px; height: 15px;"></span> months							
<b>IV. Travel</b>							
<b>Foreign Travel</b>							
	Destination	Purpose	Cost Per Person Per Trip (\$)	No. of Trips	No. of People Per Trip	Duration Per Trip (days)	Cost (\$)
Dest. 1				0			0
Dest. 2				0			0
Dest. 3				0			0
Dest. 4				0			0
Dest. 5				0			0
Dest. 6				0			0
Subtotal, Foreign Travel				0			0
<b>Domestic Travel</b>							
	Destination	Purpose	Cost Per Person Per Trip (\$)	No. of Trips	No. of People Per Trip	Duration Per Trip (days)	Cost (\$)
Dest. 1				0			0
Dest. 2				0			0
Dest. 3				0			0
Subtotal, Domestic Travel				0			0
Subtotal, Travel							0
<b>V. Subcontractors</b>							
	Service to be Performed	Name of Subcontractor	Country of Service	Cost (\$)			
Subcont. 1				0			
Subcont. 2				0			
Subcont. 3				0			
Subcont. 4				0			
Subcont. 5				0			
Subcont. 6				0			
Subtotal, Subcontracts				0			
<b>VI. Consultants</b>							
	Service to be Performed	Name of Consultant	Hourly Rate (\$/Hr.)	No. of Hours	Country of Service	Cost (\$)	
Consult. 1				0		0	
Consult. 2				0		0	
Consult. 3				0		0	
Consult. 4				0		0	
Consult. 5				0		0	
Consult. 6				0		0	
Subtotal, Consultants						0	
<b>VII. Other Expenses</b>							
	Description	Cost (\$)					
Item 1		0					
Item 2		0					
Item 3		0					
Item 4		0					
Item 5		0					
Subtotal, Other Expenses		0					
Subtotal budget, before G&A Expenses		0					
General & Administrative Expenses (G&A) @5%		0					
Total Project Budget for Company		0					
<b>Projected Expenditure, by Segment</b>							
	Segment Duration (months)	% of Total Budget	Projected Expenditure (\$)				
First segment			0				
Second segment			0				
Third segment			0				
Fourth segment			0				
Fifth segment			0				
Sixth segment			0				
Seventh segment			0				
Total	0	0%	0				

## I. Direct Labor

Gross Annual Salary - the current salary plus social ("fringe") benefits of employees expected to work on the project. The maximum annual salary (including social benefits) for a full-time position accepted is \$125,000 for Israeli companies and \$175,000 for U.S. companies. Typically, staff may include engineering and technical personnel, R&D documentation, and marketing personnel. The budget should NOT include corporate executives, secretarial staff, legal staff, or administrative staff. The overhead allowance covers such expenses. An exception to the above will be made for corporate executives in small companies with a specific (usually technical) role in the project and will be typically approved by BIRD in those cases on a part time basis.

% on Project - the average portion of any given worker's time spent directly on the project throughout the entire project, given as a %.

Cost to Project - a computed item, the product of the Gross Annual Salary (including social benefits) X % on project X number of months on the project / 12.

Overhead (O/H), at the rate of 25% on the total direct labor, is a computed item to compensate for other personnel who are considered indirect.

## II. Equipment

Depreciation – this budget item refers to depreciation allowance on capital equipment employed and not to capital expenditures. The depreciation allowance equals the purchase cost of the equipment item being employed (an input item given in \$/unit) X number of units employed (an input item) X % of the time in which the equipment is employed on the project (an input item) X the annual depreciation rate (in % per year). The annual depreciation rate currently allowed is up to 33.3%.

The Leasing Cost equals the monthly lease cost or rental cost of capital equipment (an input item given in \$/unit/month) X the number of units leased/rented (an input item) X % of the time in which the leased/rented equipment is employed by the project (an input item) X project duration (in months).

## III. Expendable Materials & Supplies

List and describe each major item or groups of related items categorized as expendable materials and supplies.

## IV. Travel

Travel expenses should be classified as either foreign or domestic travel. In either case, the trips should be itemized by the destination and the purpose of the trip, which should be described in a few words.

The cost (\$) is the cost per person per trip (an input item in \$) X the number of people per trip (an input item) X the number of trips of the same kind taken throughout the project (an input item). The duration per trip (in days) is just an informative data item.

## V. Subcontractors

The budget should identify each subcontractor, the service to be performed, the country in which the service will be given and the cost of each service. Explain the basis for the costs.

## VI. Consultants

The budget should identify each consultant, the nature of the consulting activity, the country in which the service will be given, the hourly rate upon which the charge will be made (an input item given in \$/hr.) and the estimated number of consultant hours (an input item).

## VII. Other Expenses

"Other Expenses" typically include exhibits, regulatory activities, standards certifications, field trials, patent registration costs, market surveys or other miscellaneous expenses not covered by any of the previous expense categories.

Patent registration costs are allowed at up to \$30,000. Legal fees related to patent activities are not accepted.

General & Administrative Expenses (G&A), computed at 5% over the subtotal budget, represent various operating overhead items such as rent, utilities, etc.

## Projected Expenditure, by Segment

The overall project period is organized in (equal, if possible) Segments of ideally 6 months each, for the purpose of monitoring, reporting and payment of the conditional grant funds. For each segment in the project, please specify the segment duration (6 months, unless otherwise approved by BIRD) and the estimated relative expenditures for the segment (given as % of the total budget). Please note that the total segments duration must equal the total overall project duration and that the % of total budget for all segments must sum to 100%.

Once you have finished calculating the budgets for both partners, please enter the Total Project Budget for each partner.

Israeli partner Total Budget = (\$)\_\_\_\_\_

U.S. partner's Total Budget = (\$) \_\_\_\_\_

Total Project Budget = (\$)\_\_\_\_\_

**Please note: Neither partner's portion in the combined budget can be less than 30% of the total.**

## M. Risk Analysis

1. Use the following tables to describe the main risks of the project.
2. TABLE 1A: Identify at least 5 main risks. The table can be extended to add additional risks, but not more than 10. Number the risks and give each one a short identification name. Keys for probability ranking and for evaluating impacts are provided in the 4 small tables, hereinafter.
3. TABLE 1B: Describe each of the identified risks concisely. Use additional space, if needed for clarity. Risks can be of different types, as exemplified in the explanation to TABLE 1B. Other types may be used by adding them to the explanations.

Note: The Tables' template can be found as a Word file, downloadable from BIRD's website.  
*Do not make any changes to the template.*

## **RISK ANALYSIS TABLES**

Do not change format (color & font size)

**TABLE 1A**

Risk #	Name/Description	Ranking	Impact		
			Duration <sup>1</sup>	Budget <sup>2</sup>	Commercialization Potential <sup>3</sup>
1					
2					
3					
4					
5					

**TABLE 1B**

Risk #	Name/Description	Type*
1		
2		
3		
4		
5		

\*Type: Technical (T), Project Management/Resources (M), External to the Project (E)

Ranking	Probability of Risk Occurring
High	Above 50%
Medium	30 – 49%
Low	10 – 29%
Very Low	1 – 10%

Impact	Duration <sup>1</sup>
High	Above 6 months
Medium	3 to 6 months
Low	Below 3 months

Impact	Budget <sup>2</sup>
High	Above 20% increase
Medium	10% to 20% increase
Low	Below 10% increase

Impact	Commercialization Potential <sup>3</sup>
High	Above 50%
Medium	30% to 50%
Low	1% to 29%

1. Duration of project extended by the given amount
2. Cost of project increases by the given percentage
3. Forecasted sales in the next 3 or 5 years reduced by the given percentage

## **N. Sundry Information – Mandatory**

To enable the Foundation to prepare the CPFA on a timely basis following approval of the grant application by BIRD's Board of Governors, please provide the following information in the proposal itself:

Venue for the applicable law governing the CPFA between the companies and the Foundation, i.e., one of the States of the U.S. or Israel, as agreed upon by the companies.

### **Israeli Company**

#### **Project Manager -**

Full name and title: \_\_\_\_\_  
Position in company: \_\_\_\_\_  
Email address: \_\_\_\_\_  
Direct number: \_\_\_\_\_  
Mobile number: \_\_\_\_\_

#### **Fiscal Information Official -**

Full name and title: \_\_\_\_\_  
Position in company: \_\_\_\_\_  
Email address: \_\_\_\_\_  
Direct number: \_\_\_\_\_  
Mobile number: \_\_\_\_\_

### **U.S. Company**

#### **Project Manager -**

Full name and title: \_\_\_\_\_  
Position in company: \_\_\_\_\_  
Email address: \_\_\_\_\_  
Direct number: \_\_\_\_\_  
Mobile number: \_\_\_\_\_

#### **Fiscal Information Official -**

Full name and title: \_\_\_\_\_  
Position in company: \_\_\_\_\_  
Email address: \_\_\_\_\_  
Direct number: \_\_\_\_\_  
Mobile number: \_\_\_\_\_

## O. APPENDIX – TRL Definitions

Relative Level of Technology Development	Technology Readiness Level	TRL Definition	Description
<b>System Operations</b>	<b>TRL 9</b>	The actual system operated over the full range of expected mission conditions	The technology is in its final form and operated under the full range of operating mission conditions.
<b>System Commissioning</b>	<b>TRL 8</b>	Actual system completed and qualified through test and demonstration	The technology has been proven to work in its final form and under expected conditions. In almost all cases, this TRL represents the end of true system development. Examples include developmental testing and evaluation of the system. Supporting information includes operational procedures that are virtually complete. An Operational Readiness Review (ORR) has been successfully completed prior to the start of hot testing.
	<b>TRL 7</b>	Full-scale, similar (prototypical) system demonstrated in a relevant environment	This represents a major step up from TRL 6, requiring demonstration of an actual system prototype in a relevant environment. Examples include testing full-scale prototype in the field with a range of simulators. Supporting information includes results from the full-scale testing and analysis of the differences between the test environment, and analysis of what the experimental results mean for the eventual operating system/environment. Final design is virtually complete.
<b>Technology Demonstration</b>	<b>TRL 6</b>	Engineering/pilot-scale, similar (prototypical) system validation in a relevant environment	Engineering-scale models or prototypes are tested in a relevant environment. This represents a major step up in a technology's demonstrated readiness. Examples include testing an engineering scale prototypical system with a range of simulators. Supporting information includes results from the engineering scale testing and analysis of the differences between the engineering scale, prototypical system/environment, and analysis of what the experimental results mean for the eventual operating system/environment. TRL 6 begins true engineering development of the technology as an operational system. The major difference between TRL 5 and 6 is the step up from laboratory scale to engineering scale and the determination of scaling factors that will enable design of the operating system. The prototype should be capable of performing all the functions that will be required of the operational system. The operating environment for the testing should closely represent the actual operating environment.
<b>Technology Development</b>	<b>TRL 5</b>	Laboratory scale, similar system validation in a relevant environment	The basic technological components are integrated so that the system configuration is similar to (matches) the final application in almost all respects. Examples include testing a high-fidelity, laboratory scale system in a simulated environment. Supporting information includes results from the laboratory scale testing, analysis of the differences between the laboratory and eventual operating system/environment, and analysis of what the experimental results mean for the eventual operating system/environment. The major difference between TRL 4 and 5 is the increase in the fidelity of the system and environment to the actual application. The system tested is almost prototypical.

<b>Technology Development</b>	<b>TRL 4</b>	Component and/or system validation in a laboratory environment	The basic technological components are integrated to establish that the pieces will work together. This is relatively "low fidelity" compared with the eventual system. Examples include integration of ad hoc hardware in a laboratory and testing with a range of simulants and small scale tests. Supporting information includes the results of the integrated experiments and estimates of how the experimental components and experimental test results differ from the expected system performance goals. TRL 4-6 represent the bridge from scientific research to engineering. TRL 4 is the first step in determining whether the individual components will work together as a system. The laboratory system will probably be a mix of on hand equipment and a few special purpose components that may require special handling, calibration, or alignment to get them to function.
<b>Research to Prove Feasibility</b>	<b>TRL 3</b>	Analytical and experimental critical function and/or characteristic proof of concept	Active research and development (R&D) is initiated. This includes analytical studies and laboratory-scale studies to physically validate the analytical predictions of separate elements of the technology. Examples include components that are not yet integrated or representative tested with simulants. Supporting information includes results of laboratory tests performed to measure parameters of interest and comparison to analytical predictions for critical subsystems. At TRL 3 the work has moved beyond the paper phase to experimental work that verifies that the concept works as expected on simulants. Components of the technology are validated, but there is no attempt to integrate the components into a complete system. Modeling and simulation may be used to complement physical experiments.
	<b>TRL 2</b>	Technology concept and/or application formulated	Once basic principles are observed, practical applications can be invented. Applications are speculative, and there may be no proof or detailed analysis to support the assumptions. Examples are still limited to analytic studies. Supporting information includes publications or other references that outline the application being considered and that provide analysis to support the concept. The step up from TRL 1 to TRL 2 moves the ideas from pure to applied research. Most of the work is analytical or paper studies with the emphasis on understanding the science better. Experimental work is designed to corroborate the basic scientific observations made during TRL 1 work.
<b>Basic Technology Research</b>	<b>TRL 1</b>	Basic principles observed and reported	This is the lowest level of technology readiness. Scientific research begins to be translated into applied R&D. Examples might include paper studies of a technology's basic properties or experimental work that consists mainly of observations of the physical world. Supporting Information includes published research or other references that identify the principles that underlie the technology.

Source: U.S. Department of Energy guidelines (See <https://www2.lbl.gov/dir/assets/docs/TRL%20guide.pdf>)

## 4. Report Formats

### 4.1. General

To ensure that the project is progressing as planned, the partners are required to submit regular reports. Specifically, they must provide BIRD with technical and fiscal reports at the end of each project segment. Typically, these reports are submitted every 6 months and include information on the development progress of the project and details about the actual expenses that have been incurred during the reported project segment. A complete set contains one technical report describing the project activities and achievements and two fiscal reports detailing each partner's expenses during the last segment. These reports allow BIRD to assess how the project is advancing and how funds are being utilized. The Reports are reviewed by the BIRD team with expectation being that progress is being made as in proposal and CPFA plans and if not, challenges are discussed and mitigation plans suggested. Once the BIRD team approves these reports, we will release the next grant's instalments. This process continues until the project is successfully completed.

The following sections describe the contents of the technical (section 4.2) and fiscal reports (section 4.3) and explain their submission process.

Reports must be submitted in soft copy on [BIRD's Report Upload and Management System](#).

The report submission date is the date of delivery of the full uploaded set.

Interim technical and fiscal reports are to be submitted within 30 days following the expiration of each project's interim segment. Final reports are due at the completion of the project. The final reports are to be submitted within 60 days following Completion of the Project Development. Two examples relating to the project duration and report timing can be found in section 4.2.2.

Information pertaining to the preparation of Commercialization Reports is contained in Section 4.4

Requests to extend the Project's duration and/or requests for Budget revision – may be submitted at any given time prior to three (3) months from Project's Completion date.

### 4.2. Technical Reports

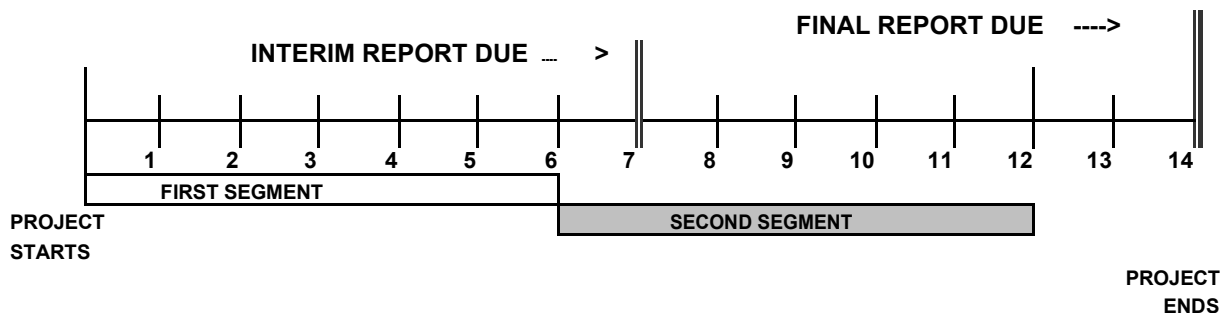
The purpose of the technical reports is to enable the Foundation to monitor project progress and to assist it in decisions relating to the continued funding of the project. Timeliness, conciseness and a comparison of project progress as stipulated in the Program Plan (Annex D of the CPFA) should be key features of these.

A single technical report is submitted at the completion of each segment, prepared and submitted jointly by the Israeli and U.S. companies and signed in the standard BIRD cover page by both the Project Manager and the Authorized Company Official of each company. Technical reports that are not properly signed will not be reviewed.

The period of the reporting segment covered in the technical report should coincide with the period covered in the accompanying fiscal reports. The technical report will be reviewed by BIRD only after receipt of the fiscal reports from both companies covering the same period. This will enable the Foundation to associate completed tasks and activities reported in the technical report to the relevant expenditures reported in the fiscal reports.

### Project Structure and Report Timing

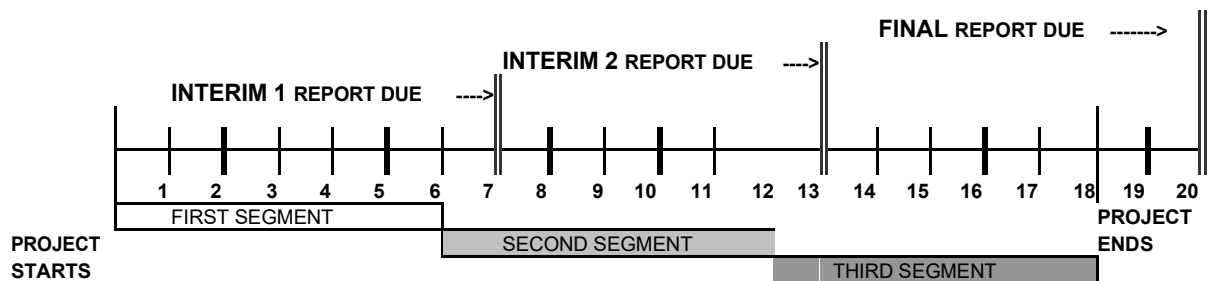
Project duration: 1 year



Project will have **2 segments** of approx. 6 months each

- Interim report due 1 month after end of 1<sup>st</sup> segment
- Final report due 2 months after end of project

Project duration: 1.5 years



Project will have **3 segments** of approx. 6 months each

- Interim 1 report due 1 month after end of 1<sup>st</sup> segment
- Interim 2 report due 1 month after end of 2<sup>nd</sup> segment
- Final report due 2 months after end of project

#### 4.2.1. Interim Technical Reports

A template of the Interim Technical Reports can be found on our website:

<https://www.birdf.com/guidelines-reporting/>

Interim technical reports must follow the outline set out below (and in the template), including the name and numbering of the different chapters.

Sections 3 and 4 are general and should display your broad interpretation of the project's overall objectives as well as relating to the relevant segment's objectives and accomplishments.

The following three sections thereafter, i.e., Sections 5 and 6 should provide information on a task-by-task basis. The tasks are described in the original proposal in the Gantt Chart (Section D of the proposal) and in the details section (Section C.2. of the proposal) and budget.

Reporting on changes or expected changes in the Technical Report is insufficient. Any change from the original proposal should be submitted in a letter signed by both companies to BIRD for its approval.

Standard BIRD Technical Report cover page (shown below).

## Interim Technical Report Cover Page

BIRD Ref. No.: \_\_\_\_\_

To: Israel-U.S. Binational Industrial Research and Development Foundation

Project Title: \_\_\_\_\_

Submitted by:

Israeli Company: \_\_\_\_\_

U.S. Company: \_\_\_\_\_

Type of Report: Interim - Segment # : \_\_\_\_\_

Project Effective Date (Start Date DD/MM/YY): \_\_\_\_\_

Project Completion Date (End Date DD/MM/YY): \_\_\_\_\_

Dates of Reporting Segment Covered (DD/MM) : from \_\_\_\_\_ to \_\_\_\_\_

Signatures: \_\_\_\_\_

Project Manager:	Israeli Company	U.S. Company
Printed Name:		
Title:		
E-mail:		
Telephone no.:		

Signatures: \_\_\_\_\_

Authorized Company Official:	Israeli Company	U.S. Company
Printed Name:		
Title:		
E-mail:		
Telephone no.:		

Date Submitted (DD/MM/YY): \_\_\_\_\_

1. **Table of Contents** – including page numbers

2. **Objectives**

State the overall objectives of the project and of the work performed during the segment covered by the report, as defined in the project proposal or in approved changes to the development program plan.

3. **Summary of Accomplishments**

Provide an informative summary of the methods, results and accomplishments of the development work conducted in the period covered and compare the actual accomplishments with the objectives stated in Section 2 above. The summary should be self-sufficient and understandable to someone who reads nothing else in the report.

4. **Results**

Describe, with reference to the Program Plan (see also Annex D of the CPFA) and the Planned Milestones &

Deliverables (see also Annex E of the CPFA) submitted in the project proposal, the results obtained during the reporting segment on an activity-by-activity (task-by-task) basis. Identify and describe results that represent significant variations from the Program Plan. Discuss any activities/tasks that may have been eliminated or added to the Program Plan during the reporting period and give the reasons for such changes. Indicate how such modifications will affect the nature of the product being developed in terms of features, specifications, performance, marketability, time-to-market, etc.

List the milestones attained and the deliverables available in this reporting segment resulting from progress in the project during previous segments and during this segment. In addition, list the milestones and deliverables that represent significant deviation (lag) in their scope and due dates from the most recently updated plan, and explain the reasons for the deviations.

*NOTE: Copy to your report and use the table below to report the above-mentioned status of the milestones and deliverables. (Add or delete table rows as needed)*

#	<b><u>Milestones Attained in Previous Segments</u></b> (Definition / Description)	<b>Attained Milestone Date</b> (MM/YY)
1		
2		
3		
#	<b><u>Deliverables Available in Previous Segments</u></b> (Definition / Description)	<b>Available Deliverable Date</b> (MM/YY)
1		
2		

#	<b>Milestones Attained in This Segment</b> (Definition / Description)	<b>Attained Milestone Date</b> (MM/YY)
1		
2		
3		
#	<b>Deliverables Available in This Segment</b> (Definition / Description)	<b>Available Deliverable Date</b> (MM/YY)
1		
2		
#	<b>Milestones Planned for <u>but Not Yet Attained in This Segment</u></b> (Definition / Description <b>and reasons for the lag</b> )	<b>Most Recently Planned Milestone Date</b> (MM/YY)
1		
2		
3		
#	<b>Deliverables Planned for <u>but Not Yet Available in This Segment</u></b> (Definition / Description <b>and reasons for the lag</b> )	<b>Most Recently Planned Deliverable Date</b> (MM/YY)
1		
2		

## 5. **Plans for Next Project Segment** (for interim reports only)

Show on a task-by-task basis the plan for the next project segment. Describe and justify any rescheduling or additions to activities on the Program Plan for the next project segment and indicate which, if any, of the originally planned activities or tasks are being terminated or redirected. Discuss the impact that rescheduled activities are likely to have on the original Program Plan during the next project segment and if additional time will be needed to complete the project.

*NOTE: If additional time is needed, a separate written request should be jointly submitted by the companies, stating the justification for the request and the number of months requested. Reference could be made to the project status and plans described in detail in this technical report. The request should be signed by both parties and include an updated Gantt chart.*

List the milestones to be attained and the deliverables planned for the next project segment, together with their most recently planned and updated due dates.

*NOTE: Copy to your report and use the table below to report the planned milestones and deliverables for the next project segment. (Add or delete table rows as needed)*

#	Milestones Planned for the Next Segment (Definition / Description)	Most Recently Planned Milestone Date (MM/YY)	Newly Updated Milestone Date (MM/YY)
1			
2			
3			
#	Deliverables Planned for the Next Segment (Definition / Description)	Most Recently Planned Deliverable Date (MM/YY)	Newly Updated Deliverable Date (MM/YY)
1			
2			
3			
4			
5			
6			
7			

#### 6. Graphical Comparison of Actual/Planned Activities Versus Program Plan

Using the Program Plan (Annex D of the CPFA) and the tasks described there, show graphically (Gantt chart) the actual timing and status of project activities (tasks) carried out thus far and explain deviations from the Program Plan. Likewise, use the Gantt chart of the Program Plan to show graphically the revised planned activities (tasks) for the remainder of the project and explain deviations from the Program Plan. (Explain all symbols used in the plan.) For each task, whether it has been completed, is still being carried out, or is planned later on in the project, indicate graphically in a single chart (1) its original program plan timing, (2) its actual occurrence and % completion at the end of the reporting segment, and (3) its planned (and maybe re-scheduled) occurrence in the remainder of the project.

An example of the format of such Gantt chart is given below:

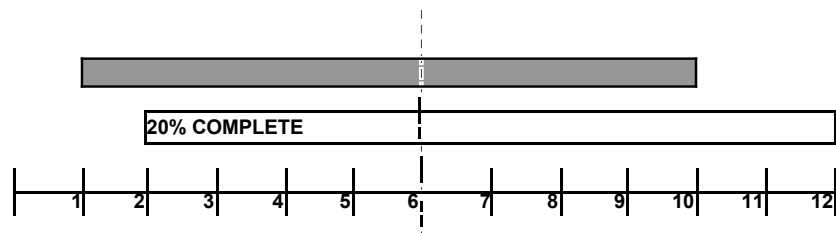
### Project Schedule Status & Plan

(Compared to Original Program Plan)

#### TASK NO. X

ORIGINAL PROGRAM PLAN

ACTUAL PROGRESS



TODAY

**7. Cooperation Between the Companies**

Discuss the activities conducted during the reporting segment that have enabled the companies to keep abreast of each other's progress. Has the division of tasks or responsibilities between the two companies been integrated to mutual benefit? Any problems that have developed in this regard should be noted, along with details of corrective measures that have been taken or are planned.

**8. Risk Analysis**

(a) Please insert here the Risk Analysis tables as were presented in the Proposal.

(b) Please insert here updated Risk Analysis tables depicting current project situation (using the instructions and tables below). Add explanations to the differences between the original and the current situations.

**9. Market and Commercialization Plans**

Identify any important changes in the market or your plans for commercialization that have developed during the segment covered by the report. Explain such developments and the impact they will have on the overall development program plan and budget, and on the overall commercialization plans and schedule.

**10. Future Activities (Final Report only)**

Provide detailed description of the following: in respect to 1<sup>st</sup> and 2<sup>nd</sup> year after Completion of the development work period (see section P of CPFA);

- (a) Future development work planned, jointly and/or separately, related to the Product
- (b) Marketing activities to be undertaken, either jointly and/or separately, as part of Product sales efforts

**11. Published Material**

Attach a copy of any reprint (not submitted in a previous report) that is based, in whole or in part, on the work conducted in the BIRD project. Include a report on any inventions or patents filed. Technical and user manuals do not have to be submitted.

#### **4.2.2. Final Technical Report**

**Templates of the Final Technical Report Part I, and Final Technical Report Part II, can be found on our website:** <https://www.birdf.com/guidelines-reporting/>

Please follow the outline set out in these templates, including the name and numbering of the different chapters.

The final technical report, to be submitted within 60 days following Completion of the Project Development, should be filled in two parts:

**Part I:** Should be prepared according to the format of the Interim Technical Reports (excluding Section 5- Plans for the Next Project Segment) and include a Summary of the Updated Market Forecast.

**Part II:** Should describe the outcome of the project in commercial terms, including the market acceptance of the products or processes developed, current sales forecasts for at least the next 3 years, new product opportunities and any further activities planned jointly by the project partners. Compare the current sales forecasts with those made in the project proposal and explain the difference.

Part II should be prepared and submitted using the form, which is available as an Excel worksheet on BIRD's website (Final Technical Report Part II.xls). Explanations on how to fill this Excel file can be found on its worksheet **Part II-Instructions**. <https://www.birdf.com/guidelines-reporting/>

#### **Final Technical Report Part II (Example)**

**Example of Worksheet – “Part II Summary”:**

BIRD Reference # (project #):	1200
U.S. Company Name:	Example of US company
Israeli Company Name:	Example of Israeli company
Project Title:	Example of Project title
Date of report (D/M/Y):	7/12/2020
Calendar year of BIRD project Completion:	2021

**Final Technical Report - Part II (definitions and summary)**

**Definition (name) of Products and Markets**

		Market A	Market B	Name	
		Primary Market name	Secondary Market name		Please enter a short name to define each product and market
Product 1	Primary product name	1A	1B		
Product 2	Secondary product name	2A	2B		

**Example of Worksheet – “Product 1A”:**

<b>Market A</b>					
<b>Product 1</b>	<b><u>Forecast of Market Size and Growth Rate</u></b>				
	Year Project Completed				
		Year 1	Year 2	Year 3	
Calendar year:	2021	2022	2023	2024	
Market size (M\$/yr):	100	105	111	118	
Annual growth rate (%):	-	5%	6%	6%	
<b><u>Original Forecast of Sales / Licensing Revenue in the Project Proposal</u></b> (basis of repayments to BIRD)					
	Year Project Completed				
		Year 1	Year 2	Year 3	
Calendar year:	2021	2022	2023	2024	
Annual revenue forecasted in Project Proposal (K\$/Yr):	100	200	300	400	
Cumulative revenue forecasted in project proposal (K\$/yr):	100	300	600	1000	

**Market A**  
**Product 1**
**Current Forecast of Sales / Licensing Revenue**

	Year Project Completed	Year 1	Year 2	Year 3
Calendar year:	-	-	-	-
Forecasted annual sales / licensing revenue (K\$/yr):	200	300	400	500
Revenue basis for repayment to BIRD (% of revenue, as per CPFA):	5%	5%	5%	5%
Forecasted annual repayment (K\$/yr):	10	15	20	25
Cumulative forecasted repayment (K\$/yr):	10	25	45	70

### **4.2.3. Informal Reports**

In addition to the formal reports required under the CPFA, it is the companies' obligation to report to BIRD significant project events, positive or otherwise. As a contributor to the project, we would like to be kept abreast of its status. In the event of favorable variations or unforeseen problems, our early awareness will enable us to work with the project managers or team on any necessary changes in program activities, including re-scheduling and re-budgeting.

## **4.3. Fiscal Reports**

### **4.3.1. Introduction**

A separate fiscal report must be submitted by each company. The report must be prepared from separate accounting records maintained by each company for recording the entire project expenditures.

The purpose of the fiscal reports is to enable BIRD to monitor actual expenditures on the project and to assist in decisions relating to the continued funding of the project. Accordingly, fiscal reports should be submitted even if the actual expenditures incurred by that company are below budget during the reporting segment. Fiscal report forms in Excel worksheet format, examples of which are included below, will be provided to each company on initiation of the project.

All expenses incurred in a BIRD-supported project must be itemized. Expenditures in all categories should be shown along with the Approved Project Budget as per Annex A of the CPFA. Expenditure is recognized on an accrual basis (when the expense is incurred) provided that payment is made within the standard credit terms received by the company, or at the latest, by the date of the Foundation's audit of the fiscal reports.

The Foundation recognizes expense variations from the Project Budget (without special request) of up to 15% within any of the major budget categories, i.e., Direct Labor, Subcontractors, Consultants, etc. However, at any stage during the course of the project, should the company incur expenditures in a category for which no budget exists, or should the actual expenses relating to any budget category be expected to exceed the budget for that category by more than 15%, and the company wants BIRD to recognize these expenses in place of under-spending in other budget categories, then a request for an amendment to the budget must be submitted (please see section 4.1.). This request should be substantiated by clear and complete explanations and must be submitted for approval by the company together with a revised project budget (in the same Excel spreadsheet format as the original budget included in the Proposal).

### **4.3.2. Report Outline**

NOTE: Please refer also to the explanations on the Fiscal/Technical Reporting Requirements, which can be found on BIRD's website.

**1. Standard BIRD cover page**

Fiscal reports must include:

- a. Actual Expenditures: total cumulative expenditures incurred by the company from the start of the project to the end of the reporting period.
- b. Budget: total approved budget for the company from Annex A of the CPFA, or approved modification thereto, for the project period.

## Fiscal Report – Cover Page

(separate report required for each co.)

BIRD REF. NO.:

TO: ISRAEL-U.S. BINATIONAL INDUSTRIAL RESEARCH AND DEVELOPMENT FOUNDATION

PROJECT TITLE:

COMPANY NAME:

TYPE OF REPORT: *(Interim; Final)*

REPORTING SEGMENT COVERED (dd/mm/yy): From:  To:

PROJECT EFFECTIVE DATE (dd/mm/yy):  Number of months in segment:

EXPENDITURE:	\$ U.S. CUMULATIVE <u>ACTUAL</u>	\$ U.S. TOTAL APPROVED <u>BUDGET (per Annex A)</u>	Actual, as % of Budget
Direct Labor	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	
Overhead @ 25%	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	
Tot. Direct Labor	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	-
Equipment (Purchased & Leased)	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	-
Materials & Supplies	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	-
Travel: Foreign	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	
Domestic	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	-
Subcontracts	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	-
Consultants	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	-
Other Expenses	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	-
Total Expenditures	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	-
G&A @ 5%	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	-
Total Company Expenditure	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	-
Budget for Current Reporting Segment		<span style="border: 1px solid black; display: inline-block; width: 80px; height: 13px;"></span>	
Estimated Budget for Next Reporting Segment (if relevant)		<span style="border: 1px solid black; display: inline-block; width: 80px; height: 13px;"></span>	
Updated Estimate of Total Budget (as shown in Proposal)		<span style="border: 1px solid black; display: inline-block; width: 80px; height: 13px;"></span>	

We confirm that this report is prepared from separate accounting records maintained for recording the entire project expenditures. The Project Manager's signature is his/her confirmation that all the listed items and expenditures were made by the company within the framework of the project .

Printed name and signature:

	Company's Project Manager	Company's Accounting Official	Company's Authorizing Official
Signature:	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>	<span style="border-bottom: 1px solid black; width: 100px;"></span>
Printed Name:	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
Title:	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
E-mail:	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
Telephone no.:	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
Date Submitted (dd/mm/yy):	<span style="border: 1px solid black; display: inline-block; width: 80px; height: 15px;"></span>		



PROJECT NO.: \_\_\_\_\_

For the reporting period from:  
Number of months in segment:

Through: \_\_\_\_\_

#### IIa. PURCHASED EQUIPMENT (\*)

Description of Equipment	Date of Purchase	Purchase Price	Percentage used on Project	No. of months used on Project During Segment	Total Charged to Project	Total Previously Reported	Cumulative Total to Date	Approved Contract Budget
	dd/mm/yy	\$	%		\$	\$	\$	\$
					-		-	
					-		-	
					-		-	
					-		-	
TOTAL					-	-	-	-

(\*) The annual depreciation rate for all equipment types is 33.3%

(\*) The annual depreciation rate for all equipment types is 33.3%

### IIb. LEASED EQUIPMENT

Leased Equipment Description	Monthly Lease Cost	No. of Units	Percentage used on Project	No. of months used on Project During Segment	Total Leasing Cost	Total Previously Reported	Cumulative Total to date	Approved Contract Budget
	\$unit/mo		%		\$	\$	\$	\$
					-		-	
					-		-	
					-		-	
<b>TOTAL</b>					-	-	-	-

4. **Travel:** (see format of table below)

Both foreign and domestic travel must be reported with the following details:

- a. Name of employee making the trip
- b. Dates of travel
- c. Destination
- d. A brief description of the objectives of the trip and its relation to the project must be included in the trip expense report. The trip expense reports and vouchers substantiating the expenditure reported should be available at the company for inspection during auditing of the fiscal reports.
- e. The expenses generally accepted are the costs relating to:
  - ✓ Air tickets – for economy of business class travel only
  - ✓ Hotels
  - ✓ Car rental and other transport costs
  - ✓ Daily allowance for meals (rates need to be checked with BIRD each year)
  - ✓ Business meals
  - ✓ Communication

PROJECT NO.: \_\_\_\_\_

For the reporting period from: \_\_\_\_\_  
Number of months in segment: \_\_\_\_\_

Through: \_\_\_\_\_

**IV. TRAVEL A) FOREIGN**

Name of Person	Dates of Travel		Destination	Purpose	Total Charged to Project	Total Previously Reported	Cumulative Total to Date	Approved Contract Budget
	from	to			\$	\$	\$	\$
							-	
							-	
							-	
							-	
TOTAL					\$			

**B) DOMESTIC**

Name of Person	Dates of Travel		Destination	Purpose	Total Charged to Project	Total Previously Reported	Cumulative Total to Date	Approved Contract Budget
	from	to			\$	\$	\$	\$
							-	
							-	
							-	
							-	
TOTAL					\$			

**5. All other budget items: (see format of tables below)**

The expenses reported must be itemized in accordance with the budget.

Documentation requirements for categories listed under item numbers 3 and 5 above are as follows:

- ✓ Proof of relating to the project – the project name or number must be indicated on relevant purchase requisitions, purchase orders or invoices together with the signature of the project manager approving such allocation. Where specific agreements have been signed, e.g., with subcontractors or consultants, a copy should also be available for inspection
- ✓ Proof of payment – a copy of the check or bank transfer must be provided.

All documentation for all categories of expenditures must be available at the company for inspection during auditing of the fiscal reports.

**III. EXPENDABLE MATERIALS AND SUPPLIES**

Description of Sub-categories	Total Charged to Project	Total Previously Reported	Cumulative Total to date	Approved Contract Budget
	\$	\$	\$	\$
			-	
			-	
			-	
TOTAL		\$	-	-

PROJECT NO.: \_\_\_\_\_ For the reporting period from: \_\_\_\_\_ Through: \_\_\_\_\_  
 Number of months in segment: \_\_\_\_\_

**V. SUBCONTRACTS**

Name of Subcontractor	Service performed & country	Total Charged to Project	Total Previously Reported	Cumulative Total to Date	Approved Contract Budget
		\$	\$	\$	\$
				-	
				-	
				-	
				-	
	TOTAL	\$	-	-	-

**VI. CONSULTANTS**

Name of Consultant	Service performed & country	Total Charged to Project	Total Previously Reported	Cumulative Total to Date	Approved Contract Budget
		\$	\$	\$	\$
				-	
				-	
				-	
				-	
	TOTAL	\$	-	-	-

PROJECT NO.: \_\_\_\_\_ For the reporting period from: \_\_\_\_\_ Through: \_\_\_\_\_  
 Number of months in segment: \_\_\_\_\_

**VII. OTHER EXPENSES**

Name of Contractor	Service performed	Total Charged to Project	Total Previously Reported	Cumulative Total to date	Approved Contract Budget
		\$	\$	\$	\$
				-	
				-	
				-	
				-	
	TOTAL	\$	-	-	-

Total Expenditures (\$) \_\_\_\_\_  
 G & A at 5% (\$) \_\_\_\_\_  
 PROJECT TOTAL (\$) \_\_\_\_\_

-	-	-	-
-	-	-	-
-	-	-	-

**6. Working Sheet for fiscal reports: (see format of table below)**

A separate working sheet needs to be submitted for each budget item. Within the working sheet for a specific budget item the details of the invoices relating to each sub-category must be reported in separate schedules as shown in the working sheet. The total U.S. Dollar amount for each sub-category must be the same as the amount reported for that sub-category in the fiscal report in the column headed "Total Charged to Project".

**WORKING SHEET FOR FISCAL REPORT TO BIRD FOUNDATION**  
(Please use a separate page for each budget item)

<b>COMPANY NAME:</b>		
<b>REPORTING SEGMENT:</b>	From: _____	Through: _____
<b>BUDGET ITEM:</b>	<b>Equipment</b>	

<b>Name of Sub-category (taken from budget) :</b>					
<b>Name of Supplier / Contractor</b>	<b>Date of Invoice</b>	<b>Invoice Number</b>	<b>Date of Payment</b>	<b>Check or Transfer No.</b>	<b>Amount \$</b>
<b>TOTAL</b>					

<b>COMPANY NAME:</b>		
<b>REPORTING SEGMENT:</b>	From: _____	Through: _____
<b>BUDGET ITEM:</b>	<b>Materials</b>	

<b>Name of Sub-category (taken from budget) :</b>					
<b>Name of Supplier / Contractor</b>	<b>Date of Invoice</b>	<b>Invoice Number</b>	<b>Date of Payment</b>	<b>Check or Transfer No.</b>	<b>Amount \$</b>
<b>TOTAL</b>					

<b>COMPANY NAME:</b>		
<b>REPORTING SEGMENT:</b>	From: _____	Through: _____
<b>BUDGET ITEM:</b>	<b>Subcontractors</b>	

<b>Name of Sub-category (taken from budget) :</b>					
<b>Name of Supplier / Contractor</b>	<b>Date of Invoice</b>	<b>Invoice Number</b>	<b>Date of Payment</b>	<b>Check or Transfer No.</b>	<b>Amount \$</b>
<b>TOTAL</b>					

<b>COMPANY NAME:</b>			
<b>REPORTING SEGMENT:</b>	From: _____	Through: _____	
<b>BUDGET ITEM:</b>	Consultants		

<b>Name of Sub-category (taken from budget):</b>					
<b>Name of Supplier / Contractor</b>	<b>Date of Invoice</b>	<b>Invoice Number</b>	<b>Date of Payment</b>	<b>Check or Transfer No.</b>	<b>Amount \$</b>
<b>TOTAL</b>					

<b>COMPANY NAME:</b>			
<b>REPORTING SEGMENT:</b>	From: _____	Through: _____	
<b>BUDGET ITEM:</b>	Other Expenses		

<b>Name of Sub-category (taken from budget):</b>					
<b>Name of Supplier / Contractor</b>	<b>Date of Invoice</b>	<b>Invoice Number</b>	<b>Date of Payment</b>	<b>Check or Transfer No.</b>	<b>Amount \$</b>
<b>TOTAL</b>					

#### 4.4. Commercialization Reports

Commercialization is reported to BIRD on a semiannual calendar basis. Reports are due within three months following the end of each semiannual period and standard reporting forms are generally sent to the companies during the month following the end of the semiannual reporting period. If commercialization was realized and no reporting forms were received, the standard form on page 71 can be utilized.

Commercialization activities are organized in four primary categories, as detailed in the CPFA:

1. Gross Sales as defined in the CPFA include all product revenues from the "...sale, leasing, or other marketing or commercial exploitation of the Innovation, including service or maintenance contracts..." Repayments are made at the stated repayment rate, generally 5%.
2. Revenues derived from the outright sale of the technology or innovation are to be applied to repayment at the rate of 50%, subject to the maximum conditions set forth in the CPFA.

3. Revenues derived from License Agreements, as detailed in the CPFA, are subject to repayment to BIRD at the rate of 30%.

It should be noted that cumulative repayments and royalties due BIRD from any and all sources of revenues will not exceed the maximum percentage – as set out in the CPFA – of the grant funds actually awarded the participants, indexed according to Annex C of the CPFA.

Although sales forecast information, as requested in the Commercialization Report is not always easily available, it is needed to enable the Foundation to manage its cash flow. Timely submission of the sales reports and repayments due is essential. Delinquent reporting is viewed with severity and outstanding repayments will bear interest as stated in the CPFA.

## Commercialization Report

BIRD Ref. No.: \_\_\_\_\_

To: The Israel-United States Binational Industrial Research and Development Foundation

For the period \_\_\_\_\_ to \_\_\_\_\_ (dd/mm/yy)

Company reporting: \_\_\_\_\_

Partnering company in the BIRD project: \_\_\_\_\_

Project Title: \_\_\_\_\_

Date of first sales revenue: \_\_\_\_\_ (dd/mm/yy)

**Semiannual revenue from the developed products, and repayment to BIRD:**

For the period (dd/mm/yy)	Most recent revenue forecast submitted to BIRD for the period ( US \$)	Total revenues for the period – basis for repayment (US \$)	Repayment rate (%)	Repayment due (US \$)
From: _____ To: _____	.....	.....	.....	.....

List all products in which the “Innovation” is used, in whole or in part, including products not mentioned in the project proposal and including all products reported in the sales report above

If the products were not developed to commercial readiness, is there a substantial possibility that they will in the future? If yes, when and what does it depend on?

Has the technology developed in the project also been commercialized by your partnering company to the BIRD project? **Yes/No**

Was service or maintenance revenue derived from sales of the developed products? **Yes/No**  
If yes, please include it in the sales report below.

Please furnish, as an attachment, a separate report on income derived from licensing or sales of the technology developed in the BIRD project

Forecast of semiannual revenue (basis for repayments to BIRD) for the next 4 semiannual periods:

_____ to _____	\$ _____
_____ to _____	\$ _____
_____ to _____	\$ _____
_____ to _____	\$ _____

The undersigned confirm that this report is prepared from the company's accounting records in which all commercialization activity relevant to the Cooperation and Project Funding Agreement, subject to repayments are recorded and that this report is accurate and true in its contents.

	<b>Company Officer</b>	<b>Accounting Official</b>
Signature:	_____	_____
Printed Name:	_____	_____
Title/Position:	_____	_____
E-mail:	_____	_____
Date Submitted:	_____	_____

## 5. Agreements

### 5.1. Introduction

This section of the BIRD Procedures Handbook describes the contractual agreements involved in the application process for a BIRD grant. Each of these agreements has been referred to in earlier sections of this Handbook. **(All Agreements, except the Bilateral Agreement, are to be prepared by BIRD personnel ONLY)**

#### “Milestone Model” projects

The BIRD Agreement (CPFA) for “Milestone Model” projects differs from the standard CPFA and is included on BIRD’s website.

#### 5.1.1. Cooperation and Project Funding Agreement (CPFA)

The standard CPFA is the document signed by an authorized officer of the U.S. company, an authorized officer of the Israeli company and BIRD’s Executive Director, following approval of a project. This agreement differs from the bilateral agreement between the companies in that it identifies the agreements and commitments between BIRD and the Proposer/Participants – the U.S. and Israeli companies – whereas the bilateral agreement documents the understanding between the two companies.

Once a Project is approved by BIRD’s Board of Governors, a Cooperation and Project Funding Agreement (CPFA) is signed by the two partners (the “Proposer”) and the Foundation. The CPFA (see <https://www.birdf.com/agreements/> for a draft version) describes the work plan, project budget, payments due the Proposer, repayments due the Foundation from sales or other income resulting from the project, reporting requirements, etc.

The below are the **CPFA formats**. All Agreements are to be prepared by BIRD personnel only. Grantees should work only with the version received directly from BIRD once the Grant approval is received.

#### For each program there are four CPFA options:

- Standard
- Small Companies Track (SCT) for both Participants
- Combined: Small Companies Track (SCT) and Standard  
Company A- Small Companies Track (SCT), Company B- Non SCT (Standard)
- Milestone

Please see below an overview and simulation of the repayment models:

Small Company Repayment Model – Overview ([pdf](#))

Small Company Repayment Model – Examples ([xls](#))

### **5.1.2. Confidential Disclosure Agreement**

Although all nonpublic information disclosed to BIRD by a company is treated as confidential, a Confidential Disclosure Agreement may be signed. Typically, this agreement is prepared by BIRD at the request of one of the companies when proprietary information may be disclosed to the Foundation prior to or during submission of a proposal. BIRD will execute for this purpose its standard CDA that can be found on the website: <https://www.birdf.com/agreements/>.

### **5.1.3. Bilateral Agreement between the Companies**

The Bi-Lateral agreement is a two-party contract between the U.S. and Israeli companies. This agreement is not a BIRD document and BIRD is not a party to this agreement. However, the agreement needs to be submitted to BIRD for review prior to signing and prior to signing of the CPFA. This formal company-company agreement should address issues relating to conducting the joint development, ownership of IP, manufacturing rights, marketing responsibilities, , benefits to each company during commercialization, etc., and reporting and repayments to BIRD. The risk and profit-sharing nature of the cooperation, classifying it as a business partnership rather than a sub-contracting arrangement, should be clearly defined and understood. Agreement on these issues prior to initiation of the joint venture is critical to maintaining the cohesiveness of the company-company affiliation throughout all phases of cooperation.

As part of their separate agreement, Israeli and U.S. companies include a few "BIRD clauses" which, in effect, define what the companies agreed upon regarding funds to be received from BIRD and repayments to be made.

See guidelines to the Bilateral agreement document: <https://www.birdf.com/agreements/>.