

New Mexico Science & Technology Business Startup Grant



POLICY MANUAL
Fiscal Year 2026
(July 1, 2025 – June 30, 2026)

PROGRAM OVERVIEW

Introduction

The New Mexico Science & Technology (S&T) Business Startup grant is a competitive state funded grant that supports small businesses engaged in research and development (R&D) with the potential to commercialize a technology. The S&T Business Startup Grant assists early-stage companies in developing a unique product with strong growth potential. These funds may be used to cover expenses related to business development such as marketing, customer acquisition, patent filing fees, conference travel, etc.

Program Objectives

The funding provided through the S&T Business Startup Grant is intended to assist early-stage technology companies in commercializing their technologies and continuing to do business in New Mexico. These awards will fund New Mexico-headquartered technology companies with the goal of market entry, customer acquisition, business expansion, and job creation. **Every eligible S&T Business Startup Grant application will be evaluated based on the following objectives.**

Recruitment, retention and expansion, or creation of jobs in economic-base businesses.

An economic-base business is one that manufactures a product in New Mexico (example: manufacture wire harnesses in New Mexico for sale in California). A business that provides a non-retail service with a minimum of 50% of its revenue coming from a customer base outside of New Mexico is also included (example: payroll company in New Mexico providing services to clients throughout the USA). Economic-base businesses bring new money into the local economy from outside of the area – generally considered to be out of state.

Develop the tax base

More jobs in a community leads to more revenue for the community as employees spend money in local businesses. Businesses and employees pay property and sales taxes. This will result in more money to enhance government-funded community services that contribute to quality of life – everything from libraries to roads.

Developing the tax base does not require increasing taxes. Developing the tax base is about creating more assets on the tax rolls (e.g., new or improved business properties, more properties generating tax revenue) to spread the cost of operations across more entities.

Encourage Business Development

Most jobs and investments come from expanding an existing business, but every business starts small – sometimes as small as just one person with an idea. Business growth involves providing advice, support, and resources to enable new businesses to start up; small businesses to grow; medium businesses to expand; large businesses to diversify; and all businesses to succeed. Incubators, business accelerators, and shared workspaces help business get off the ground. Programs that provide network development, technology assistance, training and marketing are used to encourage business development.

Program Administration

The S&T Business Startup Grant is administered by the New Mexico Economic Development Department (EDD) Technology and Innovation Office (TIO). Eligible companies will submit applications online.

Applications will be evaluated by EDD staff and the Technology Research Collaborative (TRC) Board. Final approvals will be determined by the EDD Office of the Secretary.

Funding Opportunity

The S&T Business Startup Grant is a competitive grant opportunity. Projects may be awarded between \$25,000 and \$50,000. Awardees will receive full funding amounts upon grant agreement execution. The number of awardees will vary subject to funding recommendations and available funding.

Eligible Applicants

Businesses that are eligible to apply for the S&T Business Startup Grant:

- Must be headquartered in New Mexico.
- Must have a NM CRS Tax ID, a physical NM address, EIN number, and a valid NAICS code corresponding to a science/technology business. (The business's staff must be physical present in the state and occupy a physical space). **Businesses with a virtual headquarters in New Mexico or a business with more than 40% of their staff outside the state will not be considered.**
- Must be a for-profit technology business (a technology business creates a technology-based device, software, etc.) with a focus on one of TIO's priority sectors: Aerospace, Bioscience, Advanced Computing, or Advanced Energy.
 - Technology-enabled companies will not be considered. (i.e. a company that uses technology to sell a service or product that is not a device/software.)
 - Examples of technology-enabled companies (ineligible) include, but are not limited to the following:
 - *Business A is a small New Mexico business that has received technical assistance from a national laboratory to improve the process of compacting wood chips to build a dining table. Business A sells products like dining tables derived from wood using their improved process developed with assistance from the New Mexico Small Business Assistance Program.*
 - *Business B is a small New Mexico business that consults with private sector technology companies and universities to connect STEM graduates with STEM careers.*
 - *Business C is a small New Mexico business that is technically a home builder/construction company, but builds LEED-certified homes (Leadership in Energy and Environmental Design).*
- Must provide a Letter of Good Standing via the New Mexico Taxation and Revenue Taxpayer Access Point (TAP).
 1. Go to <https://www.tax.newmexico.gov/request-a-letter-of-good-standing/> and watch the video for instructions on how to request a Letter of Good Standing.
 2. In order to request the Letter of Good Standing, you must be logged into the New Mexico Taxation and Revenue Taxpayer Access Point (TAP) through an administrator account.
 3. If you do not have the option to request a Letter of Good Standing through your portal, please contact the Technology and Innovation Office Senior Economic Development Coordinator.
- Applicants must submit a State of New Mexico W-9 to become a vendor with the EDD (if awarded) to receive grant payments. Applications will require the submission of a State of New Mexico W-9 – **wet signatures are required on the W-9.**
- Must certify they do not have overdue tax debt or are not a party to any claim or lawsuit.
- Must agree to all reporting and claw-back requirements.

Past S&T Business Startup Grant awardees are eligible to reapply two years from the date their past grant agreement was fully executed.

Application

The link to the online application will be posted on the TIO Science and Technology Business Startup Grant webpage [here](#).

- Applications must be submitted electronically.
- Instructions and guidelines will be available within the online application.
- Portions of the application include uploading documentation (i.e. Letter of Good Standing).
- Applications must be submitted no later than **September 3, 2025, at 5:00 PM MST**.

Eligible Funding Use

- Funds can be used for expenses including but not limited to intellectual property assessment, patent filing, outside lab testing and validation, regulatory assessment and certifications, meeting with customers, partners, or investors, attending trade shows (no more than 10% of total awarded funds), or market research and data acquisition.

Ineligible Funding Use

- Payroll
- Research & Development
- Materials or supplies over \$100
- Laboratory or business equipment
- Food, alcohol, drugs, etc.

Evaluation

- All submissions will be evaluated on a competitive criterion. This includes but is not limited to criteria that evaluates the business eligibility, proposal (work plan, feasibility, etc.), technology and market readiness (market need, technology impact, etc.), and the business' long-term success (qualified management team, proposed use of state funding, business exit strategy or growth strategy, ability to attract follow-on investment funding, create new jobs, etc.), and proposed use of funds.

Application Review Process

- EDD's Technology and Innovation Office will review all applications to verify eligibility.
- Eligible applications will be evaluated by EDD's Technology Research Collaborative (TRC) Board.
- Selected applicants may be asked to give a presentation, held virtually, and board members will have the opportunity to ask the applicants questions.
- Upon completion of applicant presentations, the TRC Board will make grant award recommendations.
- The EDD Office of the Secretary will make final award decisions subject to available funding.

Award

- All work must be completed within twelve months of grant agreement execution.
- Awardees will receive full funding amounts upon grant agreement execution. Quarterly milestone and expense reports will be required.

- Quarterly reports will require a follow-up submission of three to five randomly selected receipts from the provided expense reports. The Technology and Innovation Office will be responsible for randomly selecting these receipts for submission.
- **The State of New Mexico will issue a 1099 tax form to all awardees of state grants, including the Science and Technology Business Startup Grant.**

All applicants will be notified by the EDD Technology and Innovation Office on the final award decisions. The number of businesses that may receive funding will vary based on funding availability.

Grant Agreement

- EDD will prepare the grant agreement and deliver electronically to applicants for signature. Electronic signatures are acceptable.
- The signed grant agreement must be returned to EDD for execution by EDD authorities. The agreement is effective as of the date signed by EDD's Cabinet Secretary. A fully executed copy of the Agreement will be delivered to the applicant electronically. The applicant should not begin work on the project prior to the effective date.
- Applicants that are previous awardees of TIO funding must be in good standing with EDD to be considered for additional funding. Failure to successfully complete and implement the project funded by the previous award and to submit the final report and invoice may negatively impact future participation.
- Applicants must agree to use EDD's logo on their website and marketing materials for funds used to attend conferences, build websites, presentations, etc.

Project Reporting

- Applicants must submit quarterly milestone and expense reports.
- Grantees will submit a final report that will be due within thirteen months of all parties having signed the grant agreement. The final report will include project costs, the use of grant funds; measures of project outcomes; and a description of project impact on the state. The final report will be provided by the Technology and Innovation Office to the awardee. The final report must be submitted electronically.
- Grantees will provide EDD with documentation to support the costs and outcomes identified in the scope of work.
- EDD may request informal interim progress reports. Grantees are required to respond within the deadline indicated in the request.
- EDD may request annual updates on follow-on funding received after completion of the grant. Grantees must respond within the deadline indicated in each request for a period of two years in order to remain in good standing with the department – failure to respond may negatively impact future participation in EDD programs.

Key Dates

August 12, 2025: Online applications open

August 19, 2025, 1:00 PM MST: Informational Webinar

September 3, 2025, 5:00 PM MST: Online applications close

Early October, 2025: Selected companies may be required to present (virtually) to the Technology Research Collaborative (TRC) Board.

Early October, 2025: Funding recommendations will be submitted to the EDD Cabinet Secretary for consideration and final decision.

Mid October, 2025:

- Notices of award or denial, grant agreements and award packets will be sent out via the EDD Technology and Innovation Office.
- Awarded projects may begin work as soon as the grant agreement is fully executed.

Awarded projects must be completed within twelve months and final reports submitted within thirteen months of grant agreement execution