

A Guide to CHIPS Act Funding: Process, Financial, and Technical Requirements

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The CHIPS Act, administered by the National Institute of Standards and Technology (NIST), provides funding to promote the construction, expansion, and modernization of semiconductor fabrication facilities. This guide will walk you through the detailed application process, financial obligations, and technical standards necessary to secure CHIPS Act funding.

Application Process

1. Statement of Interest

Begin by submitting a statement of interest that outlines your proposed project. Include a summary of how your project aligns with CHIPS Act objectives, such as bolstering U.S. semiconductor manufacturing capabilities and enhancing supply chain resilience.

2. Pre-Application (Optional)

Although not mandatory, the pre-application stage is highly recommended. It allows NIST to provide feedback on your project and guide you on future steps. Components of the pre-application include:

- A detailed project plan.
- Financial models, including sources and uses of funds.
- Workforce development plans.
- Details regarding facility ownership and operational strategy.

3. Full Application

The full application process is comprehensive and requires the submission of:

- **Technical Narrative:** Provide a detailed description of your project objectives, methodologies, and anticipated outcomes. Include information about the technical feasibility of your project and its alignment with national priorities.
- **Commercial Strategy:** Address end-market demand, supply chain stability, and strategies for improving resilience.
- **Broader Impact Narrative:** Highlight your project's contribution to the U.S. semiconductor industry, including commitments to workforce development, environmental sustainability, and inclusion.
- **Financial Documentation:**
 - Audited company financial statements.
 - Equity capital structure details.
 - Financial models showing cash flow projections, sensitivity analyses, and supporting assumptions.

4. Negotiation and Award Acceptance

If selected, the negotiation phase involves finalizing the scope of work, project milestones, and budget. A Notice of Award (NoA) will be issued upon agreement, marking the official start of the project.

Financial Requirements

The CHIPS Act funding process requires meticulous financial planning. Key components include:

- **Direct Funding:** Most CHIPS Act awards range between 5-15% of a project's capital expenditures. Projects not eligible for the Investment Tax Credit may receive higher percentages.
- **Loans and Loan Guarantees:**
 - Loans are subject to rigorous underwriting and due diligence.
 - Interest rates are based on Treasury obligations plus a market spread.
 - Loan terms depend on project risk and financing needs.
- **Budget Requirements:**
 - Provide a detailed budget, including personnel, equipment, travel, and administrative costs.
 - Submit financial narratives and cash flow projections to support budget assumptions.
- **Cost Sharing:** Demonstrating significant private investment or state/local government incentives strengthens your application.

Technical Requirements

To qualify for CHIPS Act funding, projects must meet strict technical criteria. These include:

Project Feasibility and Alignment

- Provide a clear technical narrative describing project objectives and implementation.
- Demonstrate alignment with national economic and security priorities, such as supply chain resilience and cybersecurity measures.

Team Expertise

- Highlight the qualifications of key personnel and demonstrate the team's ability to execute complex semiconductor projects.
- Share examples of similar projects successfully completed in the past decade.

Broader Impact

- **Workforce Development:** Outline plans to recruit, train, and retain a skilled workforce.
- **Inclusion:** Include strategies to create inclusive economic opportunities for small and minority-owned businesses.
- **Environmental Responsibility:** Detail your project's commitment to climate goals and sustainable practices.

Regulatory Compliance

- Submit an Environmental Questionnaire addressing potential impacts on local communities.
- Provide disclosures of any foreign ownership or control that could affect national security.

Partner with EverGlade Consulting

Securing CHIPS Act funding is a transformative opportunity for your organization, but the application process is rigorous. EverGlade Consulting provides expert guidance to help you:

- **Develop Comprehensive Applications:** Craft detailed project plans, financial models, and narratives that align with CHIPS Act requirements.
- **Optimize Funding Potential:** Identify strategies to maximize grant amounts and secure complementary funding from state or local governments.
- **Navigate Compliance:** Ensure your project adheres to all regulatory and technical standards.

With a proven track record in federal funding, EverGlade Consulting is your trusted partner in achieving success. Let us help you lead the charge in revitalizing U.S. semiconductor manufacturing.

Contact us today at info@everglade.com to learn more about our CHIPS Act funding support services.