



## **Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR)**

The federal SBIR/STTR programs provide funds for early-stage research and development at small U.S. businesses. For those looking to commercialize innovation, Small Business Innovation Research (SBIR) and Small Business Technology Transfer Research (STTR) grants are important options to consider. University researchers across the country have found these to be significant sources of funding.

### **Mission of the Programs**

The SBIR/STTR programs, often referred to as "America's Largest Seed Fund," can serve as alternate venues for university faculty research. Various models have emerged for the university researcher to spin off a business or to collaborate with an existing business and then subcontract part of the work back to the university. In fact, co-partnership with a research institution is a requirement for the STTR program.

Congress initiated the SBIR program for the purposes of:

- Stimulating technological innovation in the private sector
- Meeting Federal Research and Development Needs
- Improving the Return on Investment from federally-funded research for economic and social benefits to the U.S.

The STTR has the further purpose of stimulating public/private partnerships through funding joint ventures between small businesses and research institutions.

### **SBIR/STTR Services at Innovation Hub at Research Park**

The Innovation Hub at Research Park offers assistance to those starting small businesses with a technology research focus. Services include:

- Identification of appropriate SBIR/STTR funding source
- Proposal preparation and guidance
- Coordination with NSF Innovation-Corps (I-Corps) resources for purposes of determining commercialization potential
- Coordination with services offered by the Small Business Development Centers (SBDCs), which can provide assistance with formation of the business and market research
- Leasing of office space, engineering and life science laboratories and simulation resources
- Coordination with Office of Research and Commercialization Intellectual Property resources including patenting and licensing For more information, please visit the Innovation Hub website. <https://www.depts.ttu.edu/research/commercialization/>

### **Requirements for Employment of Principal Investigator (PI)**

There are differing requirements for the primary employment of the Principal Investigator (the leader of the project), with there generally being more flexibility on an STTR award. In most cases, the PI must have primary employment at a small business where primary employment is defined as 51% employed by the small business for the duration of the award. However, this requirement may differ, depending on the policies of the federal agency. (See links to each participating agency below.) For further information on potential Conflicts of Interest with regard to ownership of a small business and subcontracting to a university lab, please see the [Texas Tech University Financial Disclosure website](#).

## **Difference Between SBIR/STTR Programs**

### *Small Business Innovation Research (SBIR)*

- A set-aside program for small business to engage in Federal R&D – with a potential for commercialization.
- In Phase I of an SBIR, the research institution can perform up to 33% of the total effort, with the small business concern performing the remainder.
- Depending on the agency, Phase I funding can range from \$100,000 to \$225,000 with a duration of from 6 to 12 months.
- In Phase II, the Small Business can subcontract 50% of the effort to a research institution (NIH does offer 'Hard Cap' waivers for certain topics).
- Phase II funding is for 24 months and can range from \$500,000 to \$1,000,000 depending on the agency (NIH does offer 'Hard Cap' waivers for certain topics).

### *Small Business Technology Transfer (STTR)*

- A set-aside program to facilitate cooperative R&D between small business concerns and U.S. research institutions – with the potential for commercialization.
- 0.45% of the extramural research budget for all agencies with a budget greater than \$1B per year is dedicated to funding STTR projects.
- In Phase I and II of an STTR award there is a requirement that the small business collaborate with a research institution, with the small business performing at least 40% of the work and the research institution must perform at least 30%. It is possible for more than one research institution to perform up to 60% of the total effort.
- Phase I funding ranges between \$100,000 and \$225,00 with varying time frames depending on the agency
- Phase II funding is for 24 months and ranges from \$750,000 to \$1,500,000 depending on the agency (NIH does offer 'Hard Cap' waivers for certain topics).

## **Program Basic Structure for Both SBIR and STTR**

**Phase I:** Feasibility study, proof-of-concept

**Phase II:** Full research and development effort resulting in a prototype

**Phase III:** Commercialization Stage

- Seek External Funding [No Use of SBIR/STTR funds]
  - Non-SBIR/STTR federal funding or

- Private sources

It should be noted that during Phases I and II of an SBIR or STTR award, the research funds are to be used for technical research, not for market research. However, since these awards are made to private for-profit companies, a for-profit fee is awarded for up to 7% of the total Direct and Indirect costs. This amount can be used for any purpose at the discretion of the small business.

### **SBIR/STTR Application 8-Step Process & Action Items**

#### Step 1: Any time before the deadline

- ⇒ Review what past proposals the agency funds
- ⇒ Determine company eligibility
- ⇒ Get pre-submission feedback from the SBIR/STTR Program Director (optional)
- ⇒ Register with SAM.gov and other specific company registrations needed (required)

#### Step 2: Identify solicitation topic

- ⇒ <https://www.zynsys.com/sbir/>

#### Step 3: 90 days before the deadline

- ⇒ Review the solicitation

#### Step 4: 60 days before the deadline

- ⇒ Register your company
- ⇒ Start your application

#### Step 5: Deadline

- ⇒ Applications due by 5:00 pm in your local time zone

#### Step 6: 1-3 months after the deadline

- ⇒ Applications undergo panel and merit reviews

#### Step 7: 4-6 months after the deadline

- ⇒ Agency will notify you whether your proposal is accepted or declined

#### Step 8: 5-6 months after the deadline

- ⇒ If proposal is accepted, funding will be disbursed

### **Participating Agencies**

Each Agency Administers Its Own Program

- [Department of Agriculture](#) SBIR Only
- [Department of Commerce - NOAA](#) SBIR Only
- [Department of Commerce - NIST](#) SBIR Only
- [Department of Defense](#) SBIR and STTR
- [Department of Education](#) SBIR Only
- [Department of Energy](#) SBIR and STTR
- Department of Health & Human Services SBIR and STTR
  - (Includes [National Institutes of Health](#), Centers for Disease Control and Food and Drug Administration)
- [Department of Homeland Security](#) SBIR Only
- [Department of Transportation](#) SBIR Only
- [Environmental Protection Agency](#) SBIR Only
- [National Aeronautics & Space Administration](#) SBIR and STTR
- [National Science Foundation](#) SBIR and STTR

### **Key SBIR/STTR Submission Dates**

Department of Agriculture – Phase-I – March 19<sup>th</sup>, 2020, Phase-II – October 23<sup>rd</sup>, 2019  
 Department of Commerce – Phase-I & Phase-II – January 8, 2020  
 Department of Commerce - Phase-I – April 3, 2020, Phase-II – April 30, 2020  
 Department of Defense - Phase-I & Phase-II – February 6, 2020  
 Department of Education - Phase-I & Phase-II – February 12, 2020  
 Department of Energy - Phase-I – August 17, 2020, Phase-II – January 20, 2020  
 Department of Health & Human Services - Phase-I & Phase-II – January 5, September 5, April 5, 2020  
 Department of Homeland Security - Phase-I & Phase-II – November 22, 2020  
 National Aeronautics & Space Administration - Phase-I & Phase-II – December 14, 2019  
 National Science Foundation - Phase-I & Phase-II – December 4, 2019 & June 5, 2020

### **SBIR/STTR Free Office Hours**

Kimberly Gramm, Senior Managing Director at the Innovation Hub – Available Upon Request  
 Lena Zappia, Commercialization Consultant – Available Upon Request  
 Weston Waldo, Program Director at the Innovation Hub – Available Upon Request

Please contact Weston Waldo @ [Weston.waldo@ttu.edu](mailto:Weston.waldo@ttu.edu) for assistance to setup meeting requests.

### **Need assistance with company registration, EIN, SAM, or a DUNS?**

**Contact:** Texas Tech Small Business Development Center - <https://nwtbsbdc.ecenterdirect.com/>  
 Please contact Ray Laurent, Associate Regional Director @ [ray.laurent@ttu.edu](mailto:ray.laurent@ttu.edu) for assistance to setup meeting requests.

**Paid proposal assistance?**

**Contact:** Jim Greenwood – Founder, *Greenwood Consulting Group, Inc.* - <http://www.g-jgreenwood.com/>

Email - [gail-jim@g-jgreenwood.com](mailto:gail-jim@g-jgreenwood.com)

**Interested in learning more and want to apply?**

Contact: Weston Waldo, Program Director

Email: [Weston.waldo@ttu.edu](mailto:Weston.waldo@ttu.edu)



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America's Seed Fund