

# SBIR/STTR FAQ's

## ➔ WHAT ARE THE SMALL BUSINESS INNOVATION RESEARCH (SBIR)/ SMALL BUSINESS TECHNOLOGY TRANSFER (STTR) PROGRAMS?

- A.** Each year, federal departments and agencies reserve a portion of their R&D funds for award to small businesses.
- B.** The Small Business Innovation Research (SBIR) program is a highly-competitive program that encourages small businesses to explore their potential and provide the incentive to profit from its commercialization. High tech innovation is on the rise and the United States gains entrepreneurial spirit as it meets its research and development needs.
- C.** Small Business Technology Transfer (STTR) is another program that expands funding opportunities in the federal innovation research and development (R&D) arena. Central to the program is expansion of the public/private sector partnership to include joint opportunities for small businesses and nonprofit research Institutions.

## ➔ WHAT ARE THE BENEFITS OF THE PROGRAM FOR ENTREPRENEURS AND SMALL COMPANIES?

### For Small Businesses

- Enables early transfer of technology and establishment of start-up companies
- Use funds to prove feasibility
- Retain Intellectual property
- Don't have to pay back
- Don't dilute ownership

### For Kansas

- Additional jobs
- Increased Innovation
- Increased economic development
- Increased tax base

## ➔ WHAT ARE THE THREE PHASES OF THE SBIR PROGRAM?

- A.** Phase 1 is the startup phase. Awards up to \$150,000 for approximately six months. Support for exploration of the technical merit or feasibility of an idea or technology.
- Feasibility study or prototype
  - \$150K max and six months
- B.** Phase 2 awards up to \$1,000,000 for as many as two years, expand Phase 1 results. During this time, the R&D work is performed and the developer evaluates commercialization potential. Only phase 1 award winners are considered for Phase 2.
- Full research and development effort
  - \$1M max and 24 months
- C.** Phase 3 is the period during which Phase 2 innovation moves from the laboratory into the marketplace. No SBIR funds support this phase. The small business must find funding in the private sector or other non-SBIR federal agency funding.
- Commercialization stage
  - Seek external funding

## ➔ WHAT IS THE DIFFERENCE BETWEEN SBIR AND STTR?

### A. SBIR

- Permits partnering
- Small business must do 67% of Phase 1
- Principal investigator (PI) must have primary employment with the small business
- SBIR funded topics are available from 10 federal agencies

### B. STTR

- Requires partnering with a US non-profit research institution
- Principal investigator (PI) may be employed by either the small business or the research institution
- STTR funded topics are available from 5 federal departments and agencies



# SBIR/STTR FAQ'S

## ➔ HOW DO I KNOW IF I'M ELIGIBLE FOR SBIR/STTR FUNDING?

- Does your business employ 500 or fewer employees, including affiliates?
- Is your business at least 51% owned and operated by a U.S. citizen or permanent resident?
- Is your business a for-profit entity or will you form a for-profit entity?
- Is your business located in the United States?
- Is your Principal Investigator (main researcher) devoting at least 51% time to the business? (This is required for SBIR but not for STTR).
- You must meet all of the above to be eligible for the SBIR/STTR programs.

## ➔ CAN I ASK FOR MONEY FOR COMMERCIALIZATION ASSISTANCE?

- Several agencies (e.g., DOD, HHS, DOE, NSF) have Commercialization Assistance Programs (CAPs) over the past several years [for Army, Navy, and Air Force the term is Commercialization Readiness Program (CRP)]. Depending on the agency, Caps are available to both Phase 1 and Phase 2 awardees and provide services by independent consultants in defined subject areas. Typically, slots are limited, so be certain to consult your SBIR/STTR program manager about the agency's application procedures and deadlines to insure your participation.

## ➔ WHEN CAN I SUBMIT AN APPLICATION?

Submission dates and related policies vary by agency and are posted on the website, SBIR.gov, and the agency websites.

