

SBIR/STTR Funding Opportunities and Challenges

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SBIR Program: Opportunities and Issues to Consider

The SBIR Program

The Small Business Innovation Research (SBIR) program encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that has the potential for commercialization.

Each year, Federal agencies with extramural research and development (R&D) budgets that exceed \$100 million are required to allocate 2.5 percent of their R&D budget (0.3 % for **STTR**- in bold) to these programs. SBIR/STTR increasing to 3.2%/0.45%.

Currently, eleven Federal agencies participate in the program:

Department of Agriculture

Department of Commerce (NIST, NOAA)

Department of Defense

Department of Education

Department of Energy

Department of Health and Human Services

Department of Homeland Security

Department of Transportation

Environmental Protection Agency

National Aeronautics and Space Administration

National Science Foundation



SBIR vs. STTR Programs

SBIR Program

- The principal investigator (PI) must be primarily employed by the SBC
- Phase I awards are for periods up to six months (up to \$150K)
- During Phase I, a maximum of 33% of grant may be subcontracted
- Phase II awards are for periods up to two years (up to \$1M)
- During Phase II, a maximum of 50% of grant may be subcontracted

STTR Program

- PI's primary employment is not stipulated, which means that UR faculty, staff, or students may be the PI
- Phase I awards are for periods up to one year (up to \$150K)
- Phase II awards are for periods up to two years (up to \$1M)
- During Phase I and Phase II, a minimum of 30% of the grant funding (maximum 60%) must be subcontracted to a research institution (i.e., SBC must have formal collaboration with non-profit research institution/university at time of award and for the duration of the award)

***Note:** Some agency specific variations- confirm with agency PM



SBIR/STTR Programs

PI Requirements

- Under the SBIR program, the PI must have his/her primary employment with the SBC at the time of award and for the duration of the award (e.g., at least 51%). The SBIR PI applicant should not be a UR F/T employee.
- Under the STTR program, primary employment of the PI with the SBC is not stipulated; i.e. the PI can be a UR employee, but should not have a management role in the SBC.
- The STTR program requires research partners at universities and other non-profit research institutions to have a formal, collaborative relationship with the SBC in place.



SBIR/STTR Programs

PI Requirements (con't)

- **Consistent with federal guidelines, the PI for the SBIR application and the PI for the subcontract to UR must be different individuals.**
- **The PI for the STTR application and the PI for the sub to the UR will generally be different individuals.**



Opportunities and Challenges

- Subcontracting a portion of the funds to research institutions is permitted (and for STTR grants subcontracting to research institutions is required) allowing UR faculty members to collaborate with SBCs and support UR research.
- Participating in a SBIR or STTR program can create potential conflicts of interest and conflicts of commitment issues. Clear distinctions must exist between activities performed at UR and activities performed at the SBC location and the roles for the PIs (and any student involvement).
- SBIR/STTR proposals involving research at the UR must be reviewed by the relevant Department Chair and Dean of Research prior submissions to ORPA.



Opportunities and Challenges

- Some of the research must be conducted by the SBC in facilities that it owns or controls. SBC's are sometimes virtual; UR space cannot be used by the SBC without federal and UR approval. High Tech Rochester provides incubator space.
- UR PI's should not request graduate students or postdocs to serve as PI for the SBC.



Additional Issues to Consider

- SBC's often need assistance in writing and submitting the application. UR personnel should not be used. HTR can be a resource.
- The SBC may not use UR developed IP or technology without an option or license.
- UR-based research requires a formal subaward from the SBC. SBC's often do not have grant or legal support.
- SBC's are often unfamiliar with federal regulations (e.g., human subjects, COI, export control regulations) or may lack the controls to receive federal funding.
- SBC's may not spend the UR's subaward funds! Payments should be closely monitored.



Recommendation

- If your PI is considering a collaboration with a small business through the SBIR/STTR program, please contact ORPA early in the process.
- See the guidance at:
<http://www.rochester.edu/research/pdfs/SBIR-STTR.pdf>
- Additional SBIR/STTR information:
<https://www.rochester.edu/research/researchers-sbir-sttr.html>

