



BULLETIN

> FUNDING FOR SMALL BUSINESS RESEARCH AND DEVELOPMENT

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SBIR and STTR Grant Programs

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs stimulate technological innovation in the private sector by aiming small business to meet gap funding needed for research and development to increase commercial viability of federally funded research or small business opportunities. THE SBIR/STTR program is coordinated by the Small Business Administration (SBA).

SBIR and STTR grants are quite similar; the biggest difference between the two is that STTR grants require researchers at federally funded institutions like universities to play a significant intellectual role in each project. These researchers, by joining forces with a small company, can leverage this opportunity to advance technologies that are beyond federally fundable research. Another advantage of STTR is that investigators can spin-off their commercially promising ideas while they remain primarily employed at the research institution.

SBIR and STTR grants require no repayment. Receiving one of these grants can be used as a potential leverage tool to attract additional funding. Grants can also be used to provide seed money to fund higher risk projects.

SBIR-STTR Grant Comparison

SBIR: Small Business Innovation Research

A highly competitive program that encourages small businesses to explore their technological potential and provides the incentive to profit from its commercialization.

Eligibility:

- ◆ American-owned and independently operated
- ◆ For-profit
- ◆ Principal researcher employed by business
- ◆ Company size limited to 500 employees

STTR: Small Business Technology Transfer Research

A competitive program that reserves a specific percentage of federal R&D funding for award to small business and nonprofit research institution partners.

Eligibility:

- ◆ American-owned and independently operated
- ◆ For-profit
- ◆ Company size limited to 500 employees
- ◆ Partner research institution partner located in US
- ◆ Partner institution must be:
 - ⇒ Nonprofit college or university
 - ⇒ Domestic nonprofit research organization, OR
 - ⇒ Federally funded R&D center

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SBIR vs. STTR		SBIR	STTR
Agency Research Budget		2.50%	0.30%
Award guidelines	Phase I	~\$100K 1Y	~\$100K 1Y
	Phase II	~\$750K 2Y	~750K 2Y
Research Institution partner required?		No	Yes*
Max outsource	Phase I	33%	60%*
	Phase II	50%	60%*
Min Company effort	Phase I	67%	40%*
	Phase II	50%	40%*
Min research institution effort		0%	30%*
PI company employed over 50% time	Phase I and II	Yes*	No
*Mandatory			

Three-Phase Program

Following the submission of proposals, agencies make SBIR and STTR awards based upon certain criteria such as small business qualification, degree of innovation and future market potential. Small businesses chosen for awards then begin a three-phase program.

- ⇒ Phase I: startup phase, awards up to \$100,000 for 1-2 years to fund exploration phases of the idea or technology.
- ⇒ Phase II: awards up to \$750,000 for up to 2 years, to expand Phase I results. Heavy emphases on R&D; only Phase I winners are considered for this award.
- ⇒ Phase III: commercialization stage, bringing innovation from Phase II from the laboratory into the market place. Not funded by the government, but can be funded by other sources such as angels, venture capitalists, etc.
- ⇒ For more information please visit: <http://www.sba.gov/sbir>

Colorado SBIR/STTR Matching

HB1060, signed into law in May 2007, provides \$2 million in state funds to be awarded as a grant to bioscience (including biofuels) companies that license or option university bioscience IP. To be eligible, companies must have received a Phase 1 SBIR or STTR research award. The State funding for any one bioscience company would not exceed \$100,000, and the funds must be used primarily for business development purposes.

Agencies providing SBIR/STTR

NIH: SBIR/STTR

Award range: median \$160K/year

Website: <http://grants.nih.gov/grants/funding/sbir.htm>

NSF: SBIR/STTR

Award range: SBIR \$100,00-STTR

\$150,000

Website: <http://www.nsf.gov/eng/iip/sbir/>

DOD: SBIR/STTR

Award: up to \$850,000

Website:

<http://www.acq.osd.mil/osbp/sbir/>

NASA: SBIR/STTR

Award Range: \$100k -\$600k

Website: <http://sbir.gsfc.nasa.gov/SBIR/SBIR.html>

USDA: SBIR

Award Range:

\$80,000.00 to \$350,000.00

Website: <http://www.csrees.usda.gov/fo/sbir.cfm>

DOC: SBIR

Award: 11 awards up to \$95,000 each

Website: http://patapsco.nist.gov/ts_sbir/

EPA: SBIR

Award: \$100,000-\$225,000

Website: <http://es.epa.gov/ncer/sbir/>

DOT: SBIR

Award: \$100,00-\$750,000

Website:

<http://www.volpe.dot.gov/sbir/>

ED: SBIR

Award: up to \$100,000 for Phase I, up to \$750,000 for Phase II

Website: <http://www.ed.gov/programs/sbir/index.html>