**SBIR/STTR Quick Facts**

The federal government offers two major programs that provide early stage/high risk funding for start-ups and small business: the Small Business Innovation Research program (SBIR) and the Small Business Technology Transfer program (STTR). To be eligible, the small business must be American owned, organized as a for-profit entity and have less than 500 employees.

**SBIR vs. STTR**

|  |  |  |
| --- | --- | --- |
|  | **SBIR** | **STTR** |
| **Who applies?** | For-profit U.S. small business | For profit U.S. small business (partnered with nonprofit research institution) |
| **Phases** | Phase I: 6 months Phase II: 24 months Phase III: Variable (Not SBIR funded) | Phase I: 13 months Phase II: 24 months Phase III: Variable (Not STTR funded) |
| **Principal Investigator** | Employed at least 51% by the small business.\* | May be employed by either the small business or non-profit with at least 10% effort |
| **Intellectual Property (IP)** | No agreement required but may be needed if university hold rights in IP to be developed. | Requires the small business and non-profit to have an agreement concerning IP and further research/development |
| **Approximate dollar amounts and timelines** | Phase I: $150,000 for 6 months Phase II: $1M for 2 years | Phase I: $150,000 for 1 year Phase II: $1,000,000 for 2 years |
| **Is collaboration required?** | Allowed | Required |
| **Work distribution (R&D)** | Small business: minimum 66% Phase I, 50% Phase II Non-profit: maximum 33% Phase I, 50% Phase II | Small business: minimum 40% both phases Non-profit minimum 30% both phases |
| **Number of participating agencies** | 11 | 5 |

\* Due to the PI requirements, it is challenging for a university employee to serve as the PI on an SBIR grant without taking a leave of absence or sabbatical from the institution. GSU recommends faculty 1) strongly consider who will serve as PI on any SBIR/STTR application relating to university research or intellectual property, and 2) consult with OTTC, the Office of Legal Affairs, or the Office of Research Integrity to avoid potential conflicts or employment issues prior to applying for a grant.

**SBIR/STTR Phase I**

Most researchers are familiar with the many federal agencies (NSF, NIH, DOD, etc.) that provide grant funding for research. These agencies are also vested in translating that research to market, through their [**S**mall](https://www.sbir.gov/about/about-sbir) [**B**usiness **I**nnovation **R**esearch](https://www.sbir.gov/about/about-sbir) (SBIR) or [**S**](https://www.sbir.gov/about/about-sttr)[mall Business **T**echnology **Tr**ansfer](https://www.sbir.gov/about/about-sttr) (STTR) grant programs.

**SBIR:** The Small Business Innovation Research (SBIR) program is highly competitive and encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that has the potential for commercialization. Through a competitive awards-based program, SBIR enables small businesses to explore their technological potential and provides the incentive to profit from commercialization. By including qualified small businesses, high-tech innovation is stimulated, and the United States gains entrepreneurial spirit as it meets its specific research and development needs.

**STTR:** Small Business Technology Transfer (STTR) is another program that expands funding opportunities in federal innovation research and development (R&D). Central to the STTR program is expansion of the public/private sector partnership to include the joint venture opportunities for small businesses and nonprofit research institutions. A unique feature is the requirement for the small business to formally collaborate with a research institution in all phases of the work. STTR’s most important role is to bridge the gap between performance of basic science and commercialization of resulting innovations.

STTR/SBIR Phase I grants can total ~$250K for total costs, although this may vary by agency.

Along with federal policies, faculty participating in SBIR and STTR grants must abide by the university’s conflicts of interest and employment policies.

**SBIR/STTR Phase II**

If your company has met the milestones set out in your SBIR/STTR Phase I, you can then apply for an SBIR/STTR Phase II from the same funding agency. These grants can total around $1 million+ for your startup to begin scaling up and pushing your technology closer to market or acquisition.