

**Florida Atlantic University
Division of Research**

Key Differences and PI Requirements for Phase I and Phase II SBIR and STTR Programs	
SBIR	STTR
For both Phase I and Phase II proposals, the Principal Investigator (PI) must have primary employment with the SBC at the time of award and during the conduct of the proposed project. Primary employment means that more than one-half of the PI's time is spent in the employ of the SBC. This precludes full-time employment with another organization, so a full-time FAU faculty member cannot be the PI for an SBIR proposal.	The primary employment of the Principal Investigator must be with the SBC or the research institution at the time of award and during the conducts of the proposed project. Primary employment means that more than one-half of the PI's time is spent in the employ of the SBC or the research institution, which precludes full-time employment with another organization aside from the SBC or the research institution.
The SBIR 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%). Therefore, full-time FAU faculty cannot be the PI on an SBIR project.	The PI for the STTR application and the PI for the subcontract to FAU will generally be different individuals. Exceptions to this are rare and must be approved by the funding agency and any potential conflict of interest cleared by FAU.
The SBIR program encourages, but does not require, the SBC to partner with a research institution.	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.
For Phase I proposals, a minimum of 67% of the research must be performed by the awardee. For Phase II proposals, a minimum of 50% of the research effort must be performed by the awardee.	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).
Phase I awards are for periods up to six months (up to \$150K).	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).	Phase II awards are for periods up to two years (up to \$1M).
The PI for the SBIR application and the PI for the subcontract to FAU must be different individuals.	The STTR PI applicant can be an FAU faculty, but should not have a management role in the SBC.
Applies to both:	The SBC and its partnering research institution are required to establish an intellectual property (IP) agreement detailing the allocation of IP rights and rights to carry out follow-up research, development or commercialization activities.
FAU faculty member participating in SBIR and/or STTR programs can have a conflict of interest (COI) or a financial conflict of interests (FCOI) if they have a relationship with the SBC. Consult with the Proposal and Contract Administrator in Sponsored Programs for further guidance.	
If an FAU faculty member (or his/her spouse or dependent child) has a financial interest (including, but not limited to, an ownership interest, stock options or a proprietary interest) or a leadership position in, or is employed by an SBC, the faculty member may not serve as the PI on the FAU subcontract/subaward from that SBC.	
Faculty should read the agency/sponsor solicitation for specific sponsor requirements.	

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How Do I Get Started?

Office of Sponsored Programs

A faculty considering a proposal with a small business concern (SBC) and applying to a SBIR/STTR program should contact the Office of Sponsored Programs (OSP) early in the process to discuss requirements, eligibility and negotiations with the SBC.

OSP staff can offer guidance on the proposal and will negotiate the subcontract/subaward agreements with the SBC. The agreement includes the scope of work, deliverables, reporting requirements, intellectual property terms, and other obligations.

Proposals to conduct research at FAU under a SBIR/STTR subcontract must follow the same procedures and approval process as any other proposal for external funding. Please contact your [Proposal and Contract Administrator \(PCA\)](#) for assistance.

OSP general email: sponsoredprograms@fau.edu

Office of Technology Development (OTD)

Faculty should contact the Office of Technology Development (OTD) to submit an invention disclosure form as soon as they feel they have discovered something unique with possible commercial value. This should be done well before presenting the discovery through publications, posters, conferences, or other communications. Once publicly disclosed (i.e., published or presented in some form to non-FAU persons), an invention may have restricted or minimal potential for intellectual property protection. Inventions should be kept confidential until faculty contacts OTD or certain legal rights may be lost.

The invention disclosure document provides the necessary information for OTD staff to evaluate the intellectual property related to the SBIR/STTR proposal and determine appropriate steps for legal protection and commercialization.

The invention disclosure can be found on the OTD website <http://www.fau.edu/research/technology-development/disclosing-your-invention.php>

OTD general email: techdevelop@fau.edu

Office of Research Integrity

Faculty who have a business or personal interest in the SBC should make contact with the Research Integrity Office to discuss disclosure of their significant financial interest to FAU and the procedures involved in managing any related conflicts of interest.

Please refer to the Financial Conflict of Interest in Research website at:
<http://www.fau.edu/research/financial-conflict-of-interest.php>

RI general email: researchintegrity@fau.edu

For additional general information regarding the SBIR/STTR programs, see "*SBIR and STTR Program Guidance*" below.

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SBIR and STTR Program Guidance

The Division of Research (DoR) at Florida Atlantic University (FAU) fosters the growth of new businesses based on FAU's research. The DoR seeks to maximize faculty members' success in research and innovation by encouraging collaboration with inventors, entrepreneurs and investors to create successfully transitions from innovation phase to new business enterprises.

The SBIR Program

The Small Business Innovation Research (SBIR) program is a highly competitive program that encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that have 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 its commercialization.

SBIR Mission and Program Goals

The mission of the SBIR program is to support scientific excellence and technological innovation through the investment of Federal research funds in critical priorities to build a strong national economy.

The program's goals are four-fold:

- Stimulate technological innovation.
- Meet Federal research and development needs.
- Foster and encourage participation in innovation and entrepreneurship by socially and economically disadvantaged persons.
- Increase private-sector commercialization of innovations derived from Federal research and development funding.

SBIR Participating Agencies

Each year, Federal agencies with extramural research and development (R&D) budgets that exceed \$100 million are required to allocate 2.8 percent of their R&D budget to these programs. Currently, eleven Federal agencies participate in the SBIR program:

- [Center for Disease Control \(CDC\)](#)
- [Department of Agriculture](#)
- [Department of Commerce - National Institute of Standards and Technology](#)
- [Department of Commerce - National Oceanic and Atmospheric Administration](#)
- [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](#)

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SBIR and STTR Program Guidance

Each agency administers its own individual program within guidelines established by Congress. These agencies designate R&D topics in their solicitations and accept proposals from small businesses. Awards are issued on a competitive basis after proposal evaluation.

Three-Phase Program

The SBIR Program is structured in three phases:

Phase I. The objective of Phase I is to establish the technical merit, feasibility, and commercial potential of the proposed R/R&D efforts and to determine the quality of performance of the small business awardee organization prior to providing further Federal support in Phase II. SBIR Phase I awards normally do not exceed \$150,000 total costs for 6 months.

Phase II. The objective of Phase II is to continue the R/R&D efforts initiated in Phase I. Funding is based on the results achieved in Phase I and the scientific and technical merit and commercial potential of the project proposed in Phase II. Only Phase I awardees are eligible for a Phase II award. SBIR Phase II awards normally do not exceed \$1,000,000 total costs for 2 years.

Phase III. Phase III is the period during which Phase II innovation moves from the laboratory into the marketplace. At this stage, the small business must find funding in the private sector or other non-SBIR funding.

The STTR Program

The 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 the joint venture opportunities for small businesses and nonprofit research institutions. The unique feature of the STTR program is the requirement for the small business to formally collaborate with a research institution in Phase I and Phase II. STTR's most important role is to bridge the gap between performance of basic science and commercialization of resulting innovations.

STTR Mission and Program Goals

The mission of the STTR program is to support scientific excellence and technological innovation through the investment of Federal research funds in critical priorities to build a strong national economy.

The programs' goals are to:

- Stimulate technological innovation.
- Foster technology transfer through cooperative R&D between small businesses and research institutions.
- Increase private sector commercialization of innovations derived from federal R&D.

STTR Participating Agencies

Each year, Federal agencies with extramural research and development (R&D) budgets that exceed \$1 billion are required to reserve 0.3% of the extramural research budget for STTR awards to small

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businesses. These agencies designate R&D topics and accept proposals. Currently, five agencies participate in the STTR program:

- [Department of Defense](#)
- [Department of Energy](#)
- [Department of Health and Human Services](#)
- [National Aeronautics and Space Administration](#)
- [National Science Foundation](#)

Each agency administers its own individual program within guidelines established by Congress. These agencies designate R&D topics in their solicitations and accept proposals from small businesses. Awards are made on a competitive basis after proposal evaluation.

Three-Phase Programs

The STTR Program is structured in three phases:

Phase I. The objective of Phase I is to establish the technical merit, feasibility, and commercial potential of the proposed R/R&D efforts and to determine the quality of performance of the small businesses prior to providing further Federal support in Phase II. STTR Phase I awards normally do not exceed \$150,000 total costs for 1 year.

Phase II. The objective of Phase II is to continue the R/R&D efforts initiated in Phase I. Funding is based on the results achieved in Phase I and the scientific and technical merit and commercial potential of the Phase II project proposed. Only Phase I awardees are eligible for a Phase II award. STTR Phase II awards normally do not exceed \$1,000,000 total costs for 2 years.

Phase III. The objective of Phase III, where appropriate, is for the small business to pursue commercialization objectives resulting from the Phase I/II R/R&D activities. The STTR program does not fund Phase III. At this stage, the small business must find funding in the private sector or other non-SBIR funding.