

SBIR/STTR

SBIR/STTR programs are the nation's largest source of early stage, non-diluted research and development, or R&D, funding for small business. While both programs follow a 3-Phased approach, each is subtly unique.

SBIR

- Federal agencies with extramural research and development (R&D) budgets that exceed \$100 million are required to allocate 2.9 percent of their R&D budget to these programs.
- Phase I: SBIR Phase I awards normally do not exceed \$150,000 total costs for 6 months.
- Phase II: SBIR Phase II awards normally do not exceed \$1,000,000 total costs for 2 years.

STTR

- Federal agencies with extramural research and development (R&D) budgets that exceed \$1 billion are required to reserve 0.4% of the extramural research budget for STTR awards to small businesses.
- Phase I: STTR Phase I awards normally do not exceed \$150,000 total costs for 1 year.
- Phase II: STTR Phase II awards normally do not exceed \$1,000,000 total costs for 2 years.



Three-Phase Program:

Phase I:

The objective of Phase I is to establish the technical merit, feasibility, and commercial potential of the proposed 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.

Phase II:

The objective of Phase II is to continue the 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.

Phase III:

The objective of Phase III, is for the small business to pursue commercialization objectives resulting from the Phase I/II R&D activities. The SBIR and STTR programs do not fund Phase III. Some Federal agencies do fund Phase III using non-SBIR/STTR funding for further R&D or production contracts for products, processes or services intended for use by the U.S. Government.

Pro Tips:

- All solicitations are posted on www.sbir.gov and linked to the most current and up-to-date solicitation posted on the agency's site.
- Federal Agencies may pursue sole source contracts to use the technology developed by Phase I/II award winners which automatically qualify as a Phase III activity.
- A Federal agency may provide a Phase 1/2 awardee up to \$5,000 per year to purchase services of a vendor that would assist with commercialization efforts.
- Small business awardees have access to Commercialization Assistance Programs (CAPs) which are typically third party subcontractors that aid in the mentoring and initial scaling of small businesses that are seeking mentoring, advising, and network building as they work through Phase I and/or II.
- There is a National SBIR/STTR Conference each year in Washington, DC that specializes in helping small businesses learn about participating in the SBIR/STTR programs. Representatives from all 11 federal agencies with SBIR/STTR programs attend, along with SBIR/STTR experts and trainers. There are also many events across the nation that can be found by going to SBIR.Gov. Twenty states have local representatives funded by SBA to help SBIR firms and they can be found by viewing the State Resource page on the site.