

Research Administration Practices (RAP) Sessions

SBIR/STTR: Overview and Best Practices

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Information provided in this learning session is based on information available as of the date of this presentation

Agenda

RAP Sessions: Targeted skills based educational offerings open to the Research Administration community at MIT. Information gathered and shared with attendees can be taken back to their desks and applied immediately.

- SBIR (Small Business Innovation Research) and STTR (Small Business Technology Transfer) Programs
- Funding Agencies and Program Goals
- SBIR/STTR Comparisons, Phases, and Work Distribution
- Intellectual Property and Conflicts of Interest (COI)
- KC Proposal Development and Routing
- MIT review and negotiation roles is performed by RAS as these are Federal Awards

SBIR/STTR: Funding Agencies

Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) are federally funded programs.



Small Business Administration



Department of Agriculture



Department of Commerce



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

Coordinated by the U.S. Small Business Association (SBA), **SBIR** funding is granted through 11 federal agencies (see [Participating Federal Agencies](#)).

STTR funding is granted through six of those agencies :

- Department of Defense (DOD) **SBIR/STTR**
- Department of Energy (DOE) **SBIR/STTR**
- Health and Human Services (HHS) **SBIR/STTR**
- National Aeronautics and Space Administration (NASA) **SBIR/STTR**
- National Science Foundation (NSF) **SBIR/STTR**

SBIR/STTR: Goals

SBIR/STTR programs are an important source of early-stage technology funding for **small businesses** with the goal of eventually being commercialized.

America's Seed Fund

Powered by the Small Business Administration

Federal innovation, scientific achievement, and diverse entrepreneurship through small business innovation and research.


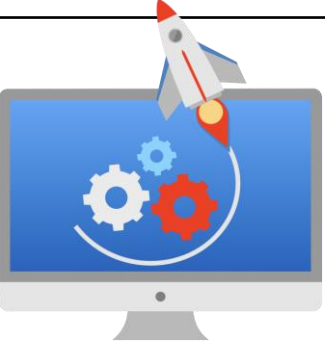
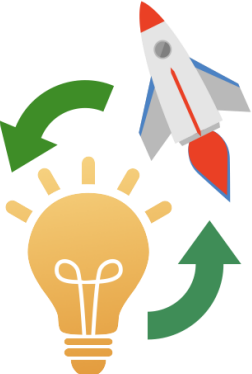
Through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, America's Seed Fund awards non-dilutive funding to develop technology and chart a path toward commercialization.

<https://www.sbir.gov/>

SBIR/STTR: Comparison

SBIR (Small Business Innovation Research)	STTR (Small Business Technology Transfer)
<p>Lead /Applicant organization: U.S. Small Business</p>	<p>Lead/Applicant organization: U.S. Small Business</p>
<p>PI: must be primarily employed (51% minimum) by the small business.</p>	<p>PI: can be primarily employed by either the small business or the research institution.</p>
<p>Collaboration Requirements: Collaboration with a research institution is allowed but not required.</p>	<p>Collaboration Requirements: Requires collaboration with a nonprofit research institution (e.g., universities, federal laboratories).</p>
<p>Focus: More focused on the small business conducting independent research.</p>	<p>Focus: Emphasizes the transfer of technology from research institutions to small businesses</p>
<p>Phases: Both programs have three phases:</p> <ul style="list-style-type: none"> • Phase I: Feasibility and proof of concept. • Phase II: R&D and prototype development. • Phase III: Commercialization 	

SBIR/STTR: 3 Phases

	<p>Phase I: Feasibility and proof of concept.</p> <ul style="list-style-type: none">• SBIR - 6 months; STTR - 12 months• Federal agency SBIR/STTR funding• Small businesses conduct R&D activities to determine the scientific and technical merit and the feasibility of ideas that may have commercial potential (to compete for Phase II funding).
	<p>Phase II: R&D and prototype development.</p> <ul style="list-style-type: none">• 24 months• Federal agency SBIR/STTR funding• Develop prototypes or make other advancements.
	<p>Phase III: Commercialization (not funded by SBIR/STTR)</p> <ul style="list-style-type: none">• No limit on duration• Non-SBIR/STTR funding sources• Small businesses work toward commercializing technologies developed under Phases I and II, including further R&D or testing.

SBIR: Work Distribution

- The Small Business is *always* the applicant/lead institution – MIT cannot be the lead!
- SBIR gives flexibility to partner with subcontractors (MIT)
- **SBIR Phase I:**
 - Small Business: minimum 66%
 - MIT as collaborator/subcontractor: maximum 33%
- **SBIR Phase II:**
 - Small Business: minimum 50%
 - MIT as collaborator/subcontractor: maximum 50%

STTR: Work Distribution

- The Small Business is *always* the applicant/lead institution – MIT cannot be the lead!
- STTR **requires** partnership with collaborators/subcontractors (MIT)
- **STTR Phase I:**
 - Small Business: minimum 40%
 - MIT as collaborator/subcontractor: minimum 30%
- **STTR Phase II:**
 - Small Business: minimum 40%
 - MIT as collaborator/subcontractor: minimum 30%

STTR: Intellectual Property (IP)

- Small business awardee and its partnering institution (MIT) are required to establish an intellectual property agreement detailing the allocation of intellectual property rights and rights to carry out follow-on research, development or commercialization activities.
- Sometimes this agreement is required at proposal stage.

If necessary, MIT has an ***STTR Allocation of Rights Agreement*** that is prepared by the RAS CA for submission to the Small Business.

SBIR/STTR: KC Proposal Development

Sponsor = Small Business applicant

- Request new sponsor if not in KC

Prime Sponsor Code = Federal agency for SBIR/STTR funding

- Prime Sponsor directs proposal approval routing and agency terms flow-down to MIT as subrecipient.

The screenshot shows a web application interface for 'Proposal Details'. At the top, there is a navigation bar with options: Data Validation (off), Print, Copy, Medusa, Hierarchy, Budget Versions, Link, and Help. Below the navigation bar, the title 'Proposal Details' is displayed, followed by a note '* indicates required fields'. The form contains several fields:

- Proposal Type:** * New
- Lead Unit:** 150001 - Center for KC Training
- Activity Type:** * Organized Research
- Project Dates:** * 01/01/2026 to 12/31/2028
- Project Title:** * Hypersonic Cogs - STTR X24.D CSO
- Sponsor:** * 010673 Cogswell Cosmic Cogs Corporation
- Prime Sponsor Code:** * 000193 Air Force Research Laboratory - WPAFB

At the bottom of the form, there are three buttons: 'Save', 'Save and Continue', and 'Close'. Two green arrows point to the 'Sponsor' and 'Prime Sponsor Code' fields, highlighting their importance in the context of the slide's message.

Returned for Revision: KC Proposals submitted to route for approval without the Federal Agency listed in **Prime Sponsor Code** will be returned to the DLCI for revision.

This will cause the proposal to incorrectly route to OSATT causing considerable delays and disruptions in review process.

SBIR/STTR: Conflict of Interest (COI)

- Review proposals for any potential **Conflicts of Interests (COI)** as many small businesses have employees who may also have current MIT appointments. Discuss with MIT's Conflict Interest Officer Rupinder Grewal at coi-help@mit.edu before routing the proposal for approval.
- See MIT Financial Conflicts of Interest in Research [Helpful Hints About SBIR/STTR Phase 1 Awards](#) for information on personnel and COI disclosure requirements.

SBIR/STTR: Proposal Review

- KC SBIR/STTR proposals are reviewed by the RAS CA and RAS Liaison for the **Federal agency** listed as **Prime Sponsor Code** in the KC proposal.
- If the Federal Agency Prime Sponsor Code is not listed on the KC proposal, the proposal will route to OSATT as well. This can cause considerable delays and disruptions to the proposal review as **OSATT is not involved in the proposal reviews of the Federally Funded programs.**
- The RAS CA will prepare either the **STTR Agreement** or the **SBIR Agreement** for submission with the proposal for the Small Business to review the terms and conditions of the Agreement

SBIR/STTR: RAS and OSATT Roles

- KC Since these programs are Federally Funded, **they are not reviewed by OSATT**
- OSATT will only become involved in these programs if requested by RAS for assistance with negotiation of award terms if the proposal is selected for award
- All questions regarding these programs either by the PI or DLC FO and/or AO should be sent to the DLC's RAS CA, or Mike Corcoran in RAS

Questions?