



SMALL BUSINESS INNOVATION RESEARCH (SBIR)

Small Business Technology Transfer (STTR)

The Federal SBIR program funds approximately \$2.5 billion annually for early stage research and development efforts of a high-risk nature that may have excellent commercial potential. The SBIR program, established in 1982, provides an exceptional opportunity for any innovator who is capable of conducting high-quality research and development. SBIR awarded to Louisiana companies are eligible for the Louisiana R&D tax credit. The purpose of the SBIR program is to:

- Stimulate technological innovation
- Use small business to meet federal R&D needs
- Encourage the participation by socially and economically disadvantaged persons in technological innovation
- Increase private sector commercialization derived from federal R&D

STTR is similar to SBIR but requires a university to partner with the program.

FEDERAL AGENCIES THAT PARTICIPATE IN THE SBIR PROGRAM:

- Department of Agriculture
- Department of Commerce
- Department of Defense
- Department of Education
- Department of Energy
- Department of Health & Human Services
- Department of Homeland Security
- Department of Transportation
- Environmental Protection Agency (EPA)
- National Aeronautics & Space Administration (NASA)
- National Science Foundation

SBIR IS A FOUR-PHASE PROGRAM

Phase 0's purpose is to stimulate interest and increase participation in the federally-funded SBIR and Small Business Technology Transfer (STTR) programs by providing funds to Louisiana's small businesses to encourage more Louisiana applications to the programs. Qualified applicants can request funds of up to \$2,000 to cover reasonable costs incurred in developing an SBIR or STTR Phase 1 proposal.

Phase 1 is based on proposals solicited by participating agencies. These solicitations contain topics on which small firms are invited to submit proposals. The proposal describes the results the firm intends on attaining, the approach the firm will take and how it will prove the feasibility of its approach. Phase 1 awards reach up to \$150,000 for approximately a six-month period. Phase 1 projects should show:

- the proposing firm can do high-quality R&D
- the proposed effort is technically feasible
- sufficient progress has been made to justify a much larger agency investment in Phase II.

Phase II is based upon the results of Phase 1, and the scientific and technical merit of the Phase II proposal. Phase II awards reach up to \$1,000,000 and the principal R&D effort with the duration not to exceed two years.

In Phase III, the company actually pursues a commercial application of the R&D conducted during Phase I and Phase II. There is no federal funding of Phase III. The funding for Phase III is typically provided by private sector sources, such as bank financing, venture capital and/or equity funding.

For more information contact:

