Einstein’s Guidelines for Participation in SBIR/STTR Programs

Einstein welcomes a range of funding opportunities that advance faculty research; further, Einstein supports collaborations between its researchers and outside companies, as long as these activities comply with all pertinent Einstein policies and guidelines.

Two such funding opportunities are offered by the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs. These congressionally mandated funding Programs set aside a specific percentage of the federal research and development budget to fund small business concerns (SBCs) that are working to commercialize new and early-stage technologies.

Federal guidelines state that SBIR and STTR grants may only be awarded to United States SBCs, and the SBC grantee must also be able to perform a percentage of the scope of work at its site or a site it controls. However, subcontracting a portion of the funds to research institutions is permitted, and, in the case of STTR grants, subcontracting to research institutions is required.

The SBIR and STTR awards are both structured as highly competitive three-phase Programs. Phase I is a feasibility study. Phase II expands on the results of Phase I. And, Phase III awards support commercialization of the results of Phase II and require the use of private sector or non-SBIR/STTR funding.

The main differences between the two programs are outlined below.

**SBIR Program**
- PI must be primarily employed by SBC at time of award
- Phase I awards are for periods up to six months in amounts up to $150,000
- During Phase I, a maximum of 33% of grant may be subcontracted
- Phase II awards are for periods up to two years in amounts up to $1,000,000
- During Phase II, a maximum of 50% of grant may be subcontracted
- Eleven participating federal agencies devote at least 2.6% of their total extramural research funding to the Program
- Awards may not exceed guideline amounts by more than 50%

**STTR Program**
- PI’s primary employment is not stipulated
- Phase I awards are for periods up to one year in amounts up to $150,000
- Phase II awards are for periods up to two years in amounts up to $1,000,000
- During Phase I and Phase II, a minimum of 30% of the research (maximum 60%) must be subcontracted to a research institution (i.e., SBC must have formal collaboration with non-profit research institution/university)
- Five participating federal agencies devote at least 0.35% of their total extramural research funding to the Program
- Awards may not exceed guideline amounts by more than 50%
The Programs are administered by the United States Small Business Administration, which serves to coordinate the various participating federal agencies (e.g., Department of Health and Human Services, the National Science Foundation, the Department of Defense, et al.). The Department of Health and Human Services has established April 5, August 5 and December 5 as the standard receipt dates for applications corresponding to the SBIR and STTR Omnibus Solicitations.

Einstein faculty may collaborate with SBCs on such applications and participate in projects through subcontracting arrangements. SBIR and STTR subcontracts are processed through Einstein in the same manner as an industry-sponsored research agreement. Consistent with these procedures, Einstein faculty will need to submit a proposed budget and scope of work to the Office of Biotechnology for review before sharing it with the collaborating SBC. The Office of Biotechnology will work with the faculty and the SBC to ensure that the contractual terms are consistent with all pertinent Einstein policies and guidelines.

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The following guidelines for participation in SBIR/STTR awards by Einstein faculty, staff, post-docs, and/or students are supplementary to the current policies and guidelines instituted by Einstein and/or the federal government. In no way are these to replace or supersede such policies or guidelines.

1. Consistent with federal guidelines, the Principal Investigator (PI) for the proposed SBC grantee shall be different than the PI for the subcontractual work to be done at Einstein.
2. No Einstein employees (including faculty and staff, and extending to post-docs and students) shall have board, managerial, executive, or administrative roles with the proposed SBC grantee.
3. The officials signing off on the submission of an SBIR/STTR proposal on behalf of the proposed SBC grantee shall not be Einstein employees.
4. The PI that will be performing the subcontractual work at Einstein must have a faculty appointment.
5. No Einstein employees shall serve as representatives of the proposed SBC grantee responsible for negotiating any aspect of the business relationship with Einstein (including, but not limited to, a sponsored research or licensing agreement).
6. There shall be a clear distinction between the work to be done by the proposed SBC grantee and the work to be performed in Einstein facilities.
7. Research that is funded by an SBIR/STTR subcontractual agreement and conducted by an Einstein PI in Einstein facilities must be distinct from the PI’s other research funded by other outside funding sources in order to mitigate any conflicts with an Einstein employee’s other research efforts/obligations.
8. Einstein shall not be obligated to seek or provide funding/investment or space resources for the proposed SBC grantee.
9. The proposed SBC grantee must have primary functioning space that it owns or controls outside of the Einstein campus (unless the proposed SBC grantee is located in Einstein-designated, unoccupied “incubator” space) in which research, development, and/or administrative activities supported by a portion of the funds awarded to it will take place.
10. All aspects of these relationships and activities must conform to pertinent Einstein policies and guidelines, including, but not limited to, policies and guidelines on patents and licensing agreements, conflicts of interest, and conflicts of commitment.

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