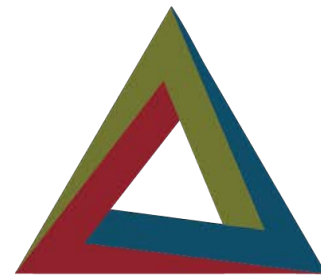


SBIR & STTR Budgeting Basics

PHASE I APPLICATIONS



APIOix
Innovation Transfer

About SBIR/STTR Assistance

The Nevada Governor's Office of Economic Development provides assistance to companies in the preparation and submission of SBIR/STTR proposals

The goal is to increase the number of proposals submitted and grants awarded under the SBIR/STTR program to Nevada technology-based small businesses

APIO Innovation Transfer (APIOiX) works in partnership with UNLV's SAGE program (<https://www.unlv.edu/econdev/sagesouth>) to assist technology-based small businesses (<https://apioix.com/sbir-assistance>)

- Assessment of the business concept
- Guidance for registration of the company
- Review and input on project pitches and proposals
- Assistance in submitting the proposals

About APIOiX

Programs, Services, and Solutions to Accelerate Innovation Ecosystems

APIOiX accelerates innovation through business development, training, and technical assistance to innovators and inventors at universities, small businesses, and government entities across the globe.



Eligibility for SBIR/STTR Funding

“America’s Seed Fund”

Technology based

Diverse portfolio

Commercial application

Non-dilutive funding

STTR requires
partnership with a
research institute

The Nation’s largest source of early stage/high risk funding for start-ups and small business

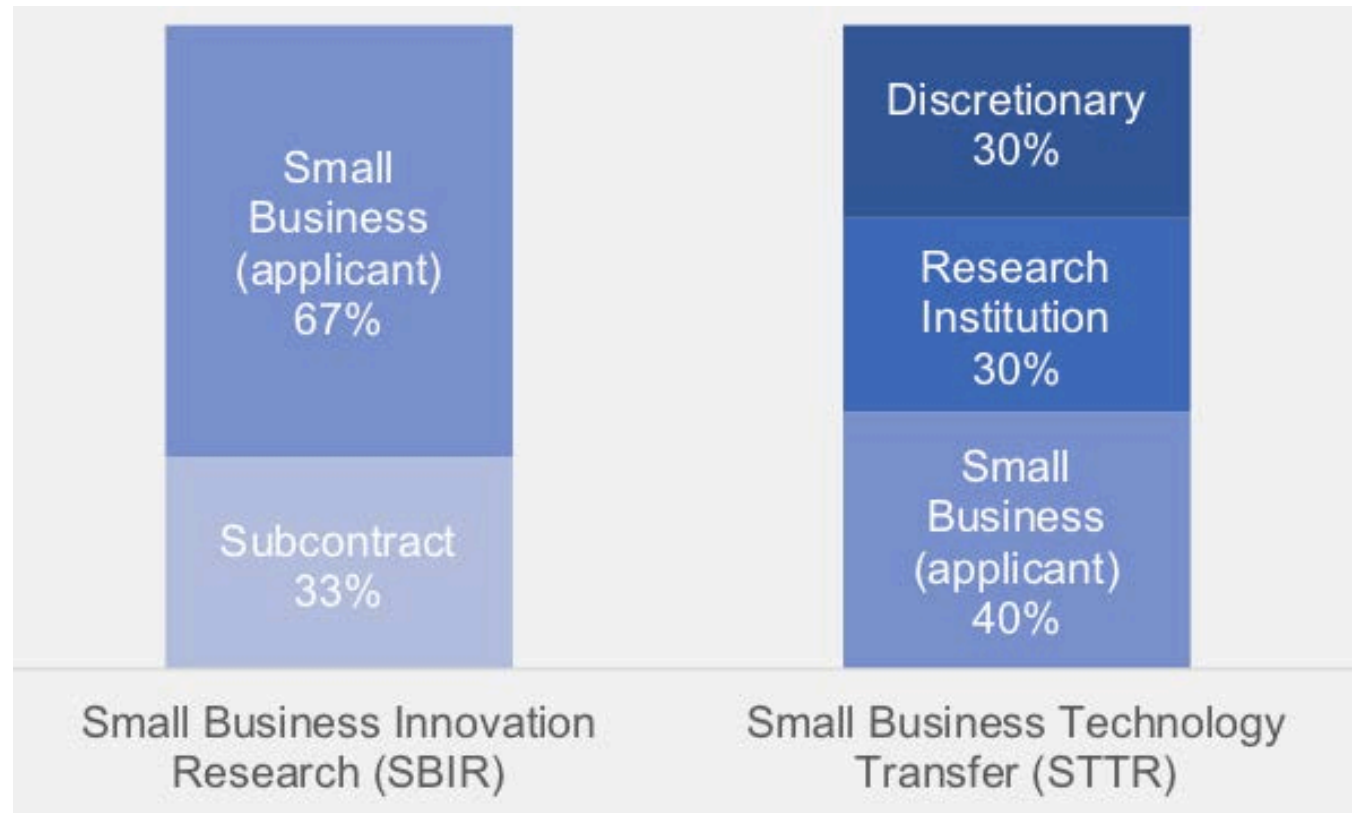
- In the words of program founder Roland Tibbetts: "to provide funding for some of the best early-stage innovation ideas; ideas that, however promising, are still too high risk for private investors, including venture capital firms."



Small Business Technology Transfer Program (STTR)

An STTR project requires the small business, to be teamed with a non-profit research institution

- The applicant is always the small business
- However, the PI for the project can be from the research institution
- The small business and the research institutions must be US based
- The narrative should clearly state what work is done where
- Each entity will need their budgets and budget justifications entered separately



Budgeting Basics

STTR vs. SBIR

- SBIR: 67% at the company 33% at consultant / subcontract
- STTR: 40% small business, 30% academic/research institute, 30% at either

Consultants are an external expense (not included in the small business portion of the budget)

Direct vs indirect expenses

Indirect rate

Profit

Budgeting Basics

Direct costs

- Key personnel project hours
- Equipment,
- Travel
- Partner efforts (ex. consultants or subcontractors)

Fringe benefits – benefits provided to employees (may be direct or indirect costs depending on agency)

Budgeting Basics

Indirect costs – cost of running the business – also known as F&A

- Rental/lease expense
- Phone, internet, electricity etc.
- Insurance
- Employee benefits

Indirect cost rate

- Overhead, general and administrative costs, and fringe costs
- Usually a maximum of 40% (NSF allows up to 50%)
- Need documentation

Budgeting Basics

Profit – also referred to as “Fee”

- 7% to 11% depending on agency – 7% is the most common
- **Request all of it**
- Entitled to it under the program
- Does not require explanation in the budget justification
- It is the most flexible money you will get – use it for anything
 - Filing for IP protection, equipment purchase, consultants, unforeseen expenses
- If max budget is \$250,000 – 7% is \$17,500
 - Budget the project for \$232,500

Budget Basics

Phase I amount:	\$250,000
Fee / profit (7%):	\$17,500
Remaining Budget:	\$232,500
Indirect Rate (40%):	$\$232,500/1.4$
Direct Budget:	\$166,071
Indirect Budget:	\$66,429

NSF/NIH Budget Guidelines

Senior personnel, other personnel, Fringe benefits

Equipment

Travel (foreign travel not allowed in Phase I)

Materials & supplies

Consultant services (letter of collaboration, \$1,000 per day, Bio sketch)

Computer services

Subawards

Other services

- Up to \$10,000 for CPA services / purchase of cost accounting system
- Up to \$10,000 for NSF “Beat-the-Odds Boot Camp”

Indirect costs

Fee

TABA

NSF only pays for personnel that are performing technical work on the project

What is TABA?

Technical and Business Assistance (TABA) or Discretionary Technical Assistance (DTA)

TABA can be used for a variety of services (including, but not limited to):

- Assistance with product sales,
- Intellectual property protections
- Market research and market validation
- Development of regulatory plans and manufacturing plans.

Agency	Phase I	Phase II
Department of Defense (DOD)	\$6,500	\$50,000
National Institutes of Health (NIH)	\$6,500	\$50,000
Department of Energy (DOE)	\$6,500	\$50,000
National Aeronautics and Space Administration (NASA)	\$6,500	\$50,000
National Science Foundation	N/A	\$50,000
U.S. Department of Agriculture (USDA)	\$6,500	\$50,000
Department of Homeland Security (DHS)	\$6,500	\$50,000
National Institute of Standards and Technology (NIST)	\$6,500	\$50,000
Department of Transportation (DOT)	\$5,000	\$50,000
Department of Education (ED)	\$6,500	\$50,000
Environmental Protection Agency (EPA)	\$6,500	\$10,000

Budget Narrative

IN PHASE I: Justification on direct and indirect cost development

- Key / other personnel
 - Roles, tasks being performed, month effort, present time, salary requirements, fringe benefits
- Equipment
 - What is it and how is going to be used
 - Equipment \$5,000 and over needs to be broken out
- Materials and supplies
 - What materials are going to be needed to complete the project
- Sub awards
- Rent
- Other

Basic Questions

What is the difference between direct, indirect, and G&A costs?

Direct	Indirect	G&A
Labor	Supervision	Office support salaries
Materials	Supplies	Stationary
Travel	Maintenance	Telephone/Internet
Testing	Depreciation	Postage
Equipment	Utilities	Bank charges
Consultants	Rent	Legal expenses

What are appropriate wages or consultant fees?

- <https://www.bls.gov/bls/blswage.htm>

Resources

APIOiX Small Business and Technical Assistance: <https://apioix.com/sbir-assistance>

- Provide general information and email link to obtain additional information

SBIR / STTR Tools & Resources: <https://apioix.com/tools-resources>

- Links to finding grant solicitations, examples of successful proposals (Phase I, Phase II, Fast Track), NSF Project Pitch rubric, budget templates for NIH and NSF Phase I proposals, budget justification templates for NSF and NIH

APIOiX Learning Center: <https://apioix.com/learning-center>

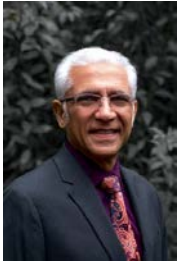
- Access to presentations on SBIR/STTR topics such as budgeting basics, subcontracting, how to write a winning proposal, basics of customer discover, and agency specific requirements.

SBIR presentations and slides: <https://www.sbir.gov/tutorials/accounting-finance/>

Salary validation: https://www.bls.gov/oes/current/oes_nat.htm#11-0000

NIH annotated SF424: https://grants.nih.gov/grants/ElectronicReceipt/files/Annotated_Forms_SmallBus_forms-e.pdf

Thank You



Arundeeep S. Pradhan, MS Pharm Ad., RTTP has been engaged in technology transfer for over 30 years; was at the forefront of creating the biotech burst in Salt Lake City; helped develop the first biotech roadmap for Colorado; and, helped create the first biotech incubator and the first translational research development center in Portland, Oregon. Mr. Pradhan served on the AUTM Board, was the AUTM President in 2009, and AUTM Foundation President and Board Chair in 2011. He was the interim CEO of a research tools startup and currently serves as the president of Apio Innovation Transfer (APIOiX) and as the CEO and the vice-president for business development of Practical Biotechnology, an oncology therapeutics startup. Mr. Pradhan managed technology transfer offices at the University of Utah, Colorado State University Research Foundation, and Oregon Health and Science University. He continues to work with clients across the globe. arundeeep@apioix.com



Ray Wheatley, MS CLP(E) is former Director for Technology Commercialization in the Office for Technology Development at the University of Texas Southwestern Medical Center, retiring in 2015 with 31 years of service. Mr. Wheatley and his staff evaluated over 2,500 new invention disclosures which led to more than 650 issued US patents and hundreds of foreign patents. These efforts resulted in more than 900 negotiated option agreements, license agreements and intellectual property management agreements generating more than \$178 million in license revenues. In addition, over 30 start-up companies were created. He has worked with US and foreign companies, including major pharmaceutical companies, venture capital firms and leading medical device manufacturers. He has been an invited speaker at many national and international meetings and has spoken on a variety of topics, most notably on negotiation skills and advanced licensing topics. ray@apioix.com



Michael Batalia, PhD is a serial entrepreneur and an expert in academic technology commercialization. He is also a member of the Mission II Team for the Perlan Project, an effort to fly engineless aircraft to the edge of space. He has over 16 years of experience in academic technology transfer, intellectual property management, and licensing at Wake Forest University as executive director of commercialization and North Carolina State University as associate director then director of technology transfer. Dr. Batalia is active regionally and internationally in support of technology transfer and biotechnology. He has served on the Boards of the Association of University Technology Managers, the North Carolina Biotechnology Center, the Biotechnology Advisory Committee of Piedmont Triad, and the North Carolina Center of Innovation for Nanobiotechnology. He is a co-founder of Wide Eyed Technologies and the CSO for Arctic, Inc. michael@apioix.com