

## **SIO SBIR/STTR Subaward Proposals - Advance Guide and Reference List**

Applying for a Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) subaward requires additional pre-proposal legwork and, in many cases, compliance reviews. This is a brief guide intended to highlight some of the unique considerations of such a proposal, but all the usual proposal process steps and policies still apply.

The SBIR program is a highly competitive program that encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that has the potential for commercialization. STTR is another program that expands funding opportunities in the federal innovation research and development (R&D) arena by encouraging expansion of the public/private sector partnership to include the joint venture opportunities for small businesses and nonprofit research institutions.

### Basic Information

An eligible small business must be the prime awardee for an SBIR or STTR. One unique feature of the STTR program is the requirement for the small business to formally collaborate with a research institution in Phase I and Phase II, meeting minimum stated percentage effort thresholds. Some SBIR solicitations will also have requirements for the minimum required funding that must go to the university collaborator.

SBIR/STTR industry collaborators/sponsors are, by definition, small businesses, and therefore might not have as much of an established presence online as a typical larger industry sponsor. SIO C&G will in many cases need to request a sponsor code; please be sure to get basic company information from the sponsor including a website or other document that shows the company mailing address.

*Please remember that each agency has its own specific rules for SBIR/STTR proposals which may change year to year, and solicitations should be read carefully, in full, well in advance.*

### Company Collaborator Relationship

SBIR/STTR projects are often conducted in collaboration with companies started by SIO employees or alumni, or arise from relationships that began while people were working together at SIO. SIO PIs may be, now or over the term of the award, considering or already serving some function for the small business (i.e., board of scientific advisors, Chief Scientific Officer or staff scientist, investor). For these reasons, even more than with a typical industry sponsored research proposal, *it's critical to conduct a conflict of interest analysis as far in advance of the proposal deadline as possible to leave time for consultation with the COI office as needed.* SIO C&G recommends getting a 700-U or other applicable agency disclosure forms completed by the PI right away, but then also asking additional questions of the PI and project participants to get a more complete picture of the institutional relationship. For example, ask the PI whether there are any pre-existing links between the company/company PI and SIO/SIO

participants other than discussions specifically related to this effort. Look at the full SIO budget to see who besides the PI should be asked about company interests. Look into company interests in UCSD (not just SIO interests in company). Check the solicitation for agency-specific COI restrictions.

Please review agency-specific and current solicitation requirements. Be mindful of percentage effort limitations when assessing potential conflicts of interest and commitment for SIO faculty and staff who may be the PI/PD. Please also look out for unusual agency conflict guidance; for example, NSF’s FAQ 18-068 states that a person who has a financial interest in the proposing small business (this includes company equity holders or employees) cannot request funds on a subaward budget, unless an exception is recommended by the Program Director and approved by the Division Director for the Division of Industrial Innovation and Partnerships.

*Please be sure that UCSD resources are not used to perform work that the small business collaborator is supposed to perform, such as compiling and submitting the full proposal.*

Proposal Requirements and Deadlines

As always, please try to give C&G a heads up about a pending proposal. Please send the federal solicitation and, if there's more than one focus area/topic area, specify which we're applying to. Please ask the industry collaborator to confirm what materials are required to be submitted and, if there are specific templates we should use, ask them to send them to us. *Please confirm well in advance what the deadline is (it will most likely be a few days in advance of the agency deadline).* Extra lead time is appreciated since C&G may need time to clarify requirements with the industry collaborator.

Please also ask the industry collaborator what the instrument type is for their proposal – below is a guide for which agencies issue which types, but please confirm with the collaborator.

Please make sure to consider general federal agency sponsor proposal guidelines in the context of the SBIR/STTR proposal when constructing the budget (e.g., NIH salary limitations). Please also contact C&G early if atypical or additional proposal components are required in case coordination with other offices is necessary (e.g., OIC, SIO Industry Relations, UCSD Export Control, UCSD Risk Management, etc. – and of course COI).

Agency	SBIR		STTR	
	Grant	Contract	Grant	Contract
USDA	x			
NIST	x			
NOAA	x			
DOD		x		x
Dept. of Ed	x	x		
DOE	x		x	
DHHS	x	x	x	x
DHS		x		
Dept. of Trans		x		
EPA		x		
NASA		x		x
NSF	x		x	

## Intellectual Property and Confidential Information

Industry collaborations, especially SBIR/STTR proposals, might involve a greater emphasis on proprietary information than a typical research collaboration, and a non-disclosure agreement to cover proposal preparation discussions may therefore be appropriate.

Often the industry collaborator will ask us to sign an NDA to cover communications related to the proposal effort. *NDA's must be negotiated and signed by SIO C&G*; depending on the terms and whether obligations are outside of what we usually see in such agreements, C&G may ask for specific PI concurrence before signing the agreement.

We prefer two-way NDAs in case SIO confidential information is to be shared. This is usually the case when patented (or in-process patentable) inventions are involved. *Please ask the PI to work with UCSD OIC in advance to determine whether any SIO background intellectual property will be involved in the proposal or if the industry collaborator licenses technology from the University.* If so, that IP will be specifically called out in the NDA. PIs should be aware of their obligations under any confidentiality agreements, including steps they need to take to protect SIO confidential information.

Please note that NDAs/CDAs are outside the fundamental research exception. All parties involved (institutions and individuals) must undergo restricted party screening in advance of C&G's signing the NDA, and any controlled items or materials may only be exchanged under a control plan developed in advance by UCSD Export Control.

Should a formal research relationship (award) arise from these discussions, confidentiality terms in a sponsored research agreement (subaward) would take the place of the NDA. STTR awards also require an IP Allocation Agreement be negotiated between the industry and university collaborator; some industry collaborators want a separate agreement, and others are willing to incorporate the IP terms into the research subaward agreement.

### Quick Reference List

In addition to typical proposal preparation practices, these steps may be helpful for SBIR/STTRs:

- Get company website/proof of address
- Get small business collaborator deadline
- Get list of required materials to submit to small business collaborator (may be different from prime proposal requirements)
- Get any templates from the small business collaborator that are required for our submission
- Confirm with small business collaborator the anticipated type of award (grant/contract)

- Review solicitation and provide to C&G in advance to mutually check for unique requirements/COI issues
- Have 700U or other applicable agency COI disclosure forms completed by PI
- Check whether the PI or anyone on the budget serves a function for the small business
- Check whether anyone at the small business also works at or has any other type of appointment at UCSD
- Determine whether there's any background SIO IP
- Determine whether an NDA is needed
- Confirm that the budget meets specific solicitation percentage effort requirements