



# Phase II SBIR/STTR Solicitations

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America's  
**SEED FUND**  
SBIR.STTR

### Phase II Overview:

- The aim of the Phase II project is to continue the research and development (R&D) efforts initiated in Phase I and advance the technology and associated product or service aggressively toward commercial deployment.
- Project objectives that are not acceptable for SBIR/STTR Phase II proposals include non-technical work (such as market research, business development, or other activities disallowed for funding under SBIR/STTR awards) or efforts that do not directly support commercial development of the technologies or concepts demonstrated during Phase I, or which are unrelated to the Phase I project objectives.
- Proposers are encouraged to consult with their Phase I NSF Program Director to discuss what objectives might be appropriate for the Phase II project.
- Each Phase I award grants the awardee small business one attempt at a Phase II proposal

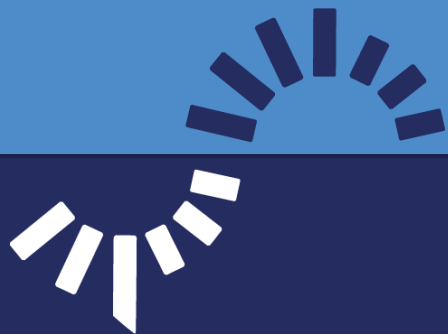


# Phase II solicitation

### **Last week, NSF issued stand-alone solicitations for Phase II**

- [SBIR](#) (NSF 20-545) Phase II solicitation
- [STTR](#) (NSF 20-546) Phase II solicitation

**As has been the case in the past, STTR Phase I awardees are permitted to apply for SBIR Phase II awards (and vice versa) – but now they can apply directly to the relevant SBIR or STTR Phase II solicitation.**



# Timing and submission changes

### Phase II proposals will now be accepted in three-month submission windows:

- February 14, 2020 – March 5, 2020
- March 6, 2020 - June 4, 2020
- June 5, 2020 - September 3, 2020
- September 4, 2020 - December 3, 2020

**We anticipate that submission windows for 2021 will follow a similar pattern.**

**Phase II proposals will only be accepted for review if received 6 to 24 months after the Phase I award start date.**

- Your award start date is contained in your award letter (email)...and on NSF's public website.
- Your eligible dates may fall at the beginning, middle or end of a window – submit them within 6-24 months. Proposals received more than two years after the Phase I start date will not be reviewed.

**Phase II submission dates contained in your original Phase I award letter should be disregarded.**



# Award terms, reporting and payments



## Phase II award reporting and payments:

- The general structure of payments, reporting and broad terms/conditions will not change dramatically from the past
- Phase II will still feature interim reports on an every-six-month timeline (with timing flexibility)
- Financial reporting will be streamlined; awardees will report effort levels for key personnel and total spending
- Full details on reporting and award terms and conditions will be released later this spring

## New standard Phase II payment schedule:

- The standard payment schedule for Phase II has been modified. It will now be:
  - 25% of the award total available upon award
  - An additional 25% of the award total available upon approval of the first interim report (~6 months)
  - An additional 25% of the award total available upon approval of the second interim report (~12 months)
  - An additional 25% of the award total, less \$25,000, available upon approval of the third interim report (~18 months)
  - The final \$25,000 made available upon approval of the Phase II final report
- Modifications to the above are permitted if needed based on project particulars



# Budget changes

### **Phase II proposals may now be submitted for up to \$1,000,000.**

- The Phase II funding amount has increased to a maximum of \$1,000,000 to better support the nation's startups and small businesses, as part of the recent federal adjustment for inflation.
- The amount is inclusive of direct costs, indirect costs, and the small business fee.
- This amount includes up to \$50,000 to be used by the Phase II awardee for commercial assistance under the SBIR Technical and Business Assistance (TABAs) legislation (to be discussed later in the presentation).

### The small business fee percentage is now 10% (versus the prior 7%).

- Remember that the fee is taken as a percentage of total direct and indirect costs and NOT as a percentage of the total award amount.
- This means that for a \$1,000,000 Phase II award, the maximum fee that would be possible in a best-case scenario would be \$90,909 (not \$100,000).

### **Phase II proposal budgets are now permitted to budget up to \$50,000 for technical and business assistance (TABA).**

- Background on the origins of technical and business assistance authority is included in the SBIR Policy Directive: [https://www.sbir.gov/sites/default/files/SBIR-STTR\\_Policy\\_Directive\\_2019.pdf](https://www.sbir.gov/sites/default/files/SBIR-STTR_Policy_Directive_2019.pdf)
- Technical and business assistance authority replaces the existing Commercialization Assistance Program (CAP).
- TABA funds for SBIR/STTR Phase II proposals will be part of (not in addition to) the max \$1M budget request

**Technical and business assistance goals are listed below. Any activity meeting one or more of the below could be considered for TABA funding:**

- Making better technical decisions on SBIR/STTR projects;
- Solving technical problems that arise during SBIR/STTR projects;
- Minimizing technical risks associated with SBIR/STTR projects;
- Commercializing the SBIR/STTR product or process, including intellectual property protections

## Technical and business assistance funds **MUST** flow to one or more “vendors”

- Vendors must be individuals or institutions **OUTSIDE** your small business
- Company owners, employees, officers, or others who have existing significant relationships with the small business may not be eligible



## Technical and business assistance funds can be budgeted in one of two ways:

- Itemize the budgeted TABA funds on line G.6 in the Phase II proposal budget, identifying vendors and specific cost items and documenting as normal (e.g. including pricing documentation for any items > \$5,000)
- (Recommended!) Budget TABA funds on line G.6, with no further details given. Specific cost items will then have to be identified, documented, and approved by NSF prior to their expenditure during Phase II.

## Notes on TABA funds:

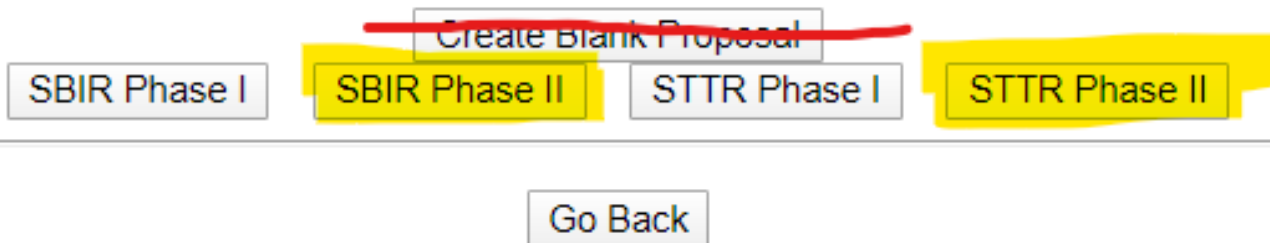
- TABA funds can be reallocated (with NSF approval) back into technical efforts during Phase II.
- BUT, if you do not budget TABA funds in your Phase II proposal, you will not have an opportunity to add them later.
- TABA funds CANNOT be used for employee time or travel but CAN be used for costs related to trade shows, scientific meetings, or other such events, if the event meets the TABA goals previously discussed and if the funds are sent out to a vendor.
- TABA spending will have to be tracked separately during Phase II, and reported to NSF in interim reports.



# A note on proposal prep

### When preparing your proposal:

#### Create New Proposal



The screenshot shows a horizontal row of five buttons under the heading 'Create New Proposal'. The buttons are: 'SBIR Phase I', 'SBIR Phase II', 'STTR Phase I', 'STTR Phase II', and 'Create Blank Proposal'. The 'Create Blank Proposal' button is crossed out with a red line. The 'SBIR Phase II' and 'STTR Phase II' buttons are highlighted with yellow backgrounds. Below this row is a horizontal line, and below that is a 'Go Back' button.

SBIR Phase I

~~Create Blank Proposal~~

SBIR Phase II

STTR Phase I

STTR Phase II

Go Back

### Next Steps:

- Reference your award notice to determine your eligibility timeframe (6 to 24 months after your award start date). Note that your eligibility dates may fall at the beginning, middle or end of a window.
- *Companies who were expecting to submit by February 27<sup>th</sup> will have until March 5<sup>th</sup> as the solicitation was just recently posted. All companies should follow the 6 - 24 month guidelines.*
- Review the Phase II solicitation(s) and relevant proposal preparation guidelines.
- Reach out to your NSF SBIR/STTR Phase I Program Director or [sbir@nsf.gov](mailto:sbir@nsf.gov) if you have any questions.
- New Phase II Terms & Conditions will be posted in Spring 2020
- New Phase II Reporting Requirements will be posted later in 2020

Questions?

*Contact Your Phase I Program Director*  
(or [sbir@nsf.gov](mailto:sbir@nsf.gov))



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