



SBIR/STTR Phase I Matching Grant Program Guidelines

Background Information - SBIR/STTR Program

Since enacted in the 1980s, the Small Business Innovation Research (**SBIR**) and the Small Business Technology Transfer (**STTR**) are highly competitive programs that encourages domestic small businesses to engage in federally sponsored Research and Development (**R&D**) activity that has the potential for commercialization. Through a competitive awards-based program, SBIR/STTR enables small businesses to explore their technological potential and provides the incentive to profit from its commercialization. By including qualified small businesses in the nation's R&D arena, high-tech innovation is stimulated and the United States gains entrepreneurial spirit as it meets its specific research and development needs.

Participating SBIR/STTR Federal Agencies

Each year, Federal agencies with extramural research and development (R&D) budgets that exceed \$100 million are required to allocate 2.8 percent of their R&D budget to these programs. Currently, eleven Federal agencies participate in the program:

- [Department of Agriculture](#)
- Department of Commerce – [NIST and NOAA](#)
- [Department of Defense](#)
- [Department of Education](#)
- [Department of Energy](#)
- [Department of Health and Human Services](#)
- [Department of Homeland Security](#)
- [Department of Transportation](#)
- [Environmental Protection Agency](#)
- [National Aeronautics and Space Administration](#)
- [National Science Foundation](#)

Funding Structure

The SBIR/STTR Program is structured in three phases:

- **Phase I.** The objective of Phase I is to establish the technical merit, feasibility, and commercial potential of the proposed R/R&D efforts and to determine the quality of performance of the small business awardee organization prior to providing further Federal support in Phase II. SBIR Phase I awards normally do not exceed \$150,000 total costs for 6 months.

- **Phase II.** The objective of Phase II is to continue the R/R&D efforts initiated in Phase I. Funding is based on the results achieved in Phase I and the scientific and technical merit and commercial potential of the project proposed in Phase II. Only Phase I awardees are eligible for a Phase II award. SBIR Phase II awards normally do not exceed \$1,000,000 total costs for 2 years.
- **Phase III.** The objective of Phase III, where appropriate, is for the small business to pursue commercialization objectives resulting from the Phase I/II R/R&D activities. The SBIR program does not fund Phase III. Some Federal agencies, Phase III may involve follow-on non-SBIR funded R&D or production contracts for products, processes or services intended for use by the U.S. Government.

The Trust's SBIR/STTR Phase I Matching Grant Program

The Puerto Rico Science, Technology & Research Trust (**Trust**) offers the scientific and hi-tech entrepreneurship community in Puerto Rico its SBIR/STTR Matching Grant Program. The objective of this program is to incentivize local technology oriented small business firms and researchers to compete for SBIR/STTR Phase I grant awards.

Firms receiving a federal SBIR/STTR Phase I award will receive a dollar-to-dollar matching grant from the Trust, up to \$100,000. The benefits of this program for hi-tech ventures include:

- Provides new, attractive incentive to apply for Federal SBIR/STTR Phase I grants.
- Improves chances for proposal approval by Federal agencies because of matching funds.
- Closes funding gap between Phase I and Phase II contract awards.
- Provides additional capital to accelerate R&D and/or commercialization efforts.

Program Description and Requirements

Awardees may utilize the matching grant for any expenditure allowed by the SBIR/STTR funding agency, plus other expenditures not normally covered by the SBIR/STTR program such as the purchase of equipment, intellectual property protection/patent costs, commercialization/ marketing costs, and other costs related to raising venture capital. All expenses covered by the matching grant must be incurred in Puerto Rico. The matching grant will be paid in two parts: two-thirds upon signing of the matching funds agreement, and one third after submitting the final report to the sponsor federal agency upon successful completion of the SBIR/STTR Phase I project.

Eligibility Criteria

In general, to be eligible for the program, the applicant:

1. Must meet all federal SBIR/STTR eligibility requirements, as defined by the program.
2. Must be a Puerto Rico based company or have its principal place of business in Puerto Rico prior to the disbursement of matching funds.
3. Must have obtained a letter of matching fund commitment from the Trust prior to the submission of the SBIR/STTR Phase I proposal.
4. Must have been successfully awarded a SBIR/STTR Phase I grant.

Application Process

The applicant must complete an application prior to submitting a SBIR/STTR Phase I proposal. Applicant must file their applications using only the electronic application form provided by the Trust. **The Trust must receive the application at least 15 days prior to the SBIR/STTR Phase I deadline submission due date.**

A complete application will include the following:

- Applicant Information
- Research Project Information
- Required documents:
 - Copy of the SBIR/STTR Phase I proposal (in .pdf format);
 - Matching Fund Budget and Usage (in .pdf format): to describe the use of matching funds. Allowable costs will include those related directly to the project for which a Phase I Award will be applied for. These costs include, but are not limited to, direct costs for **additional** technical work, product testing and validation, intellectual property protection, market research, patent search, business plan development.

Within 5 days prior to SBIR/STTR deadline submission due date, applicants will receive a letter of support from the Trust, to be included in the proponent's proposal.

Approval and Disbursement

If the applicant is successful in obtaining a SBIR/STTR award, it must submit proof in the form of an executed SBIR/STTR contract, grant, or cooperative agreement between the federal agency and the applicant. Upon receiving the required documents from the applicant, the Trust will send a Matching Fund Award Agreement. Upon receipt of a fully executed and signed Agreement, the Trust will disburse funds based on agreement terms.

Contact

For questions about this program, contact us **only** through grants@prsciencetrust.org. Answers will be provided in 48-72 hours.