



CIT Federal Funding Program

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CIT GAP Funds

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Center for Innovative Technology



Conducts world-class research and development programs that create new industry clusters.



Assists early-stage Virginia based technology companies in their efforts to secure private and federal funding sources



Accelerate the socio-economic growth of Virginia's rural and underserved areas through the application and use of broadband telecommunications



Dedicated to helping large-scale federal and corporate consumers of technology identify and assimilate innovation created in private sector start-up companies. GSA MOBIS Schedule

CIT Entrepreneur

- **Federal Funding Assistance Program** – CIT's Federal Funding Assistance Program identifies and accelerates opportunities for Virginia's small technology businesses to obtain SBIR and STTR awards and other government contracts. Novice and experienced grant recipients may benefit from this program.
- **GAP Fund** – CIT's GAP Fund closes the funding gap between "friends and family" and early-stage equity investment for Virginia-based technology companies. CIT's GAP Fund identifies and makes funds available to seed-stage technology firms with a high potential for commercialization, rapid growth and downstream private-equity financing.

CIT's Federal Funding Assistance Program

- Assists Virginia-based tech firms
- SBIR strategy consultation and mentoring
- Low cost proposal training and review courses
- Discounts with expert proposal consultants
- Discounts on proposal preparation software
- Referral to law firm for free IP and patent consultation
- Discounts on cost accounting solutions and CPA services
- VC/Angel Capital "Readiness" review and consideration for CIT GAP Fund
- Phase "0" and "00" awards of \$500-\$2000 to qualified first time Phase I & Phase II applicants to help pay for proposal development resources.
- Phase I NIH SBIR \$50K Matching Grant Program

NIH SBIR Phase I Matching

In the 2011 session, the General Assembly allocated \$6 million to the Commonwealth Research Commercialization Fund (CRCF), a CIT-administered fund to advance targeted areas of research with commercial promise.

\$2 million of this award has been allocated specifically for a Small Business Innovation Research (SBIR) matching program for NIH Phase I award winners.

NIH SBIR Phase I Matching Grant Criteria

- 2011 legislation indicates some criteria: eligible applicants must:
 - Have a Phase I SBIR from NIH in an eligible technology*
 - Employ fewer than 12 full-time employees
 - Have at least 51% of their employees residing in Virginia
 - Have at least 51% of their property located in Virginia.
 - Each application must include a commercialization plan in order to be considered.
- * Eligible research or technologies will be identified in the Research and Technology (R&T) Strategic Roadmap, which CIT is developing and will submit by November 1, 2011.
- Awards from the Fund may only be made to applications that further the goals set forth in the Roadmap.

Follow Updates

- Guidelines also will be developed in the coming months, and a solicitation is planned for fall 2011.
- As additional information is available, CIT will release it in various ways –including through FFAP events, webinars, newsletters, press releases, and on the CIT website.

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SBIR and STTR

- **SBIR:**
 - ***Small Business Innovation Research:*** 2.5% of extramural R&D budget set-aside for small business concerns to engage in Federal R&D – with potential for commercialization.
- **STTR:**
 - ***Small Business Technology Transfer:*** 0.3% of extramural R&D budget is set-aside to facilitate cooperative R&D between small business concerns and US Research Institutions – with potential for commercialization. (requires participation by a non-profit University or Federal Lab)

SBIR and STTR Basics

- Government funding of early stage, high risk, high pay-off research that can be commercialized.
- \$2.3+ Billion available
- Agencies identify their need for new, high risk, innovative technology that serves their mission.
- Specific topics are posted in solicitations 1-3 times per year by each agency.
- Funding you could not typically get from other external sources like VC, angels, friends and family.
- 4000+ projects funded annually

11 Participating SBIR/STTR

Agencies – Each Mission Very Different!

- **DOD* (\$1B+)**
- **HHS/NIH* (\$500M+)**
- **NASA***
- **Energy***
- **NSF***
- Agriculture
- EPA
- Commerce
- Education
- Transportation
- Homeland Security

****Participate in SBIR & STTR***

Topics

- **No “Unsolicited” proposals** – always responding to a specific topic
- Some topics are **more focused** than others.
 - DOD very specific
 - NIH and NSF are more general, giving you a chance to define your own topic that is serving their mission
- **Lots of opportunities** -- Agencies list topics from 1-3 times per year
- DOD has 3 SBIR cycles and 1 STTR cycle – not all departments participate in all solicitations.
- NIH has 3 SBIR/STTR sollicitaions.
- NSF has 2 SBIR and 1 STTR sollicitations per year.
- USDA 1 SBIR sollicitation per year.

Phases and Funding Amounts

Phase I: A feasibility study, providing \$70—\$150K and 6 months (SBIR) or 12 months (STTR).

- Can't skip Phase I

Phase II: Full R/R&D, proof of concept/development of prototype. A 2-Year Award and \$300K—\$1M.

- Some agencies require invitation to submit a Phase II, some are automatic if you receive Phase I.

Phase III: Commercialization Stage. No SBIR funding. Use of non-SBIR Funds (includes other Federal funds, VC, etc.)

Program Focus:

- **This is a Commercialization Program**
- A research program designed to produce commercial products.
- Not a “*research for the sake of research*” program

Eligibility

- No more than 500 employees
- Organized “for profit” firm
- Independently owned and operated
- 51% owned by U.S citizens/resident aliens
- Principal place of business is USA
- Principal Investigator (PI) must be primarily (51%) employed by the proposing firm.
- In SBIR, at least 66% of phase I and 50% of Phase II must be accomplished by the proposing/prime contract firm (joint ventures and limited partnerships are permitted)
- All work must be performed in the US

3 Main Evaluation Areas

- Technical approach
 - Team
 - Commercialization plan/pathway to market
-
- Be prepared to address all three areas!

Program Benefits

- Not a loan—no repayment
- Seed money for high risk R&D
- Recognition for your company
- Experience as a prime contractor
- Leveraging Tool for VC
- Fosters Partnerships
- IP rights maintained by the small business – data rights extend to 4 years after your have finished the contract/grant (5 yrs. For DoD)
- Sole-source marketing position with all Federal Agencies

Improve your Odds

- Attend workshops, training, and national conferences.
- Do your research, plan ahead, and think of the “Value Chain”.
- Collaborate to strengthen your proposal.
- Speak with the agencies
 - If you have current projects with an agency, find out what other problems exist.
 - Use your knowledge of the customer to your benefit.

Upcoming Training

- **June 9 Webinar – “Getting Value from your IP” – *FREE***
- **June 14-15 Live Workshop – “NIH/NSF SBIR Proposal Prep Workshop”, Charlottesville , VA**
- **June 20 Webinar – “SBIR Checklist Workshop”**
- **July 14 Webinar -- “ Intro to Budgets – Preparing a Budget for Grant/Contract Proposals” – *FREE***
- **August 18 Webinar -- “Preparing for Government Audits” – *FREE***
- **Aug. 25 Webinar – “SBIR/STTR Indirect Rate Development” *FREE***

www.cit.org/events

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