



October 2004

Volume 04,
Issue 10

The SBTDC is partially funded
by the
US Small Business Administration.

1984-2004
20
YEARS

SBIR/STTR Newsletter

North Carolina SBTDC

NC's Information Resource for Small Business R&D Funding

The Southeast's Premier R&D Funding Conference

Fourth Annual Southeastern Biotechnology R&D Funding Conference

RTP, NC - December 1, 2004

Registration & Agenda: www.NCsbir.org
(or directly to <http://www.sbtcd.org/events/sbir/conference/>)

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NC Biotechnology Center
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SBIR/STTR Submission Deadlines

Agency / Program	Open	Close
<u>DoD - SBIR 2004.4</u>	August 2, 2004	October 15, 2004
<u>NIH - SBIR Contracts</u>	August 1, 2004	November 5, 2004
<u>NIH - SBIR/STTR</u>	January 9, 2004	December 1, 2004
<u>NSF - SBIR/STTR</u>	November 8, 2004	December 8, 2004
<u>DOE - SBIR/STTR</u>	September 28, 2004	December 13, 2004
<u>DoD - SBIR 2005.1</u>	November 1, 2004	January 14, 2004
<u>DOC NIST - SBIR</u>	October 31, 2004	January 15, 2005

Dates are subject to change. Visit agency websites for updates.

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Interview with National Science Foundation

In our on-going effort to provide our readers with clear overviews of each of the participating agencies we have interviewed a number of the program managers. To date we have published responses from DOD, Air Force, Army and NASA. In this issue we present our Q&A session with the National Science Foundation. The complete interview with NSF is available online at: www.sbt dc.org/technology/NSF_interview.pdf

Ujvari: Provide an overview or intro of your agency. For example: What is the agency's overall mission?

NSF: To promote the progress of science; to advance the national health, prosperity, and welfare; and to secure the national defense.

Ujvari: What global scientific/industry sectors are of interest to the agency right now and what are expected to be popular topics in the pipeline?

NSF: NSF SBIR/STTR supports market-driven topics such as Biotechnology, Electronics, Information-Based Technologies, Chemical-Based Technologies and Advanced Materials and Manufacturing. The next expected topic from NSF is a special topic in response to the President's Executive 13329 called Manufacturing Innovation. The solicitation is expected to be released around September 1, 2004 – with proposals due early December 2004. Other interesting facts: NSF plays a key role in supporting small business research with a clear goal of innovation that can benefit society through commercialization. Small Business Innovation Research and Small Business Technology Transfer programs at NSF are exclusively for the small business community to leverage federal funds to undertake high-risk science and engineering research that could lead to further investment from the investment community. Small Business researchers in the NSF programs have substantial ties to the academic research community.

Ujvari: Does your agency mainly offer grants or contracts?

NSF: Grants only

Ujvari: What is the 2004 budget for SBIR (and STTR if applicable)?

NSF: \$107M (combined)

Ujvari: How many awards were made in 2003?

NSF: 447* Phase I / 77 Phase II (*unusually high number of Phase I proposals were awarded due to a significant increase in the NSF budget – but the budget now is flat or may even decline).

Ujvari: What are the general win rates?

NSF: 1-10 for Phase I and 1-3 for Phase II

Ujvari: How many awards are generally made per solicitation for a Phase 1 and Phase 2?

NSF: We have two solicitation per year with approximately 150 per. Phase II's do not have solicitations, they are submitted based on if a company received a Phase I award. We typically award approximately 100 Phase IIs.

Continued online at www.sbt dc.org/technology/NSF_interview.pdf

2003 SBIR/STTR Awardee Listing

As noted in the September edition of this newsletter, each agency provides a listing of SBIR/STTR awardees. We compiled a listing of all awardees from North Carolina and are making available for viewing online via: www.ncsbir.org. Click on the bullet titled "2003 SBIR/STTR Awards in North Carolina".

Websites of Interest

Spring 2004 National Conference Presentations

Most PowerPoint presentations that were debuted at the Spring 2004 SBIR National Conference in Atlanta are available for viewing online at: www.sbirworld.com/ga/additions

NIH - Collaboration Opportunities and Research Partnerships (CORP)

If you are in need of an area of expertise or in search of a collaborative partner to work with on an SBIR or STTR, please visit the Collaboration Opportunities and Research Partnerships (CORP) [website](#).

SSTI Weekly Digest - www.ssti.org

Triangle Tech Journal - www.triangletechjournal.com

SBIR Representatives of the Participating Federal Agencies -

www.sba.gov/sbir/indexcontacts-reps.html

The SBIR HelpDesk (operated by PBC, Inc.) -

www.sbirhelpdesk.com

Funding for Research and Education in Hemophilia

Bayer Biological Products invites applications for funding under the 2005 Bayer Hemophilia Awards Program, which supports **research and education in hemophilia**. The program focuses on projects involving inherited disorders of bleeding and hemostasis through four award categories (see below). Letters of intent are due Nov. 30, 2004. More information is available at: <http://www.bayer-hemophilia-awards.com/>

From [SSTI Funding Supplement](#)

Proposal Reviews

Send your draft proposal to [John Ujvari](#) for a review **at least 14 days** prior to the submission deadline.

Proposals will be reviewed on an as-received basis.

Service available to NC firms only.

SBIR Workshops in NC

October 7, 2004

NC State University - Centennial Campus,
Raleigh, NC
8:00 - 10:00 AM

[Registration](#)
[Information](#)

November 4, 2004

UNC Greensboro - Greensboro, NC
8:30 - 10:30AM
Registration
Information

Fourth Annual Southeastern Biotechnology R&D Funding Conference

*The Southeast's Premier Annual
Biotech Event!*

December 1, 2004
NC Biotechnology Center - RTP, NC

www.NCsbir.org

October 8, 2004

InfoTech 2004
RTP, NC

[Registration](#)

October 18, 2004

Biotechnology Forum
RTP, NC

[Registration](#)

November 1-4, 2004

SBIR National Conference
Boise, ID

[Information & Registration](#)

Procurement Technical Assistance Center

SBTDC's service to help small businesses sell their products to the government

The United States Government spends approximately \$200 billion annually on products and services. Unfortunately, these contracts bypass small firms that do not know about or understand government procurement.

The SBTDC's PTAC can help qualified companies obtain the information needed to bid competitively on Department of Defense, federal, state and local contracts. The PTAC helps North Carolina companies secure contracts by providing comprehensive assistance in selling products and services to federal, state, and local governments.

The Federal government is ready to do business, on a competitive basis, with qualified companies that can supply needed products and services. If your firm has moved beyond the R&D phase and has established a product for which the government can be a customer, contact Director Tom Elam via phone (919-715-7272) or via email (telam@sbtcd.org).

Sponsor Overview **Wyrick Robbins Yates & Ponton**

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&
PONTON
LLP



Our Business is Law.

All business ventures share one constant: the path to success is not easy. We know, because we've spent over two decades helping clients of all sizes seize their opportunities. Located in Raleigh, North Carolina, and in Charlotte, North Carolina, we have grown to one of the region's premier law firms. We have focused practice groups with the depth and flexibility to analyze and maximize the growth opportunities for all levels of business – from start-up to publicly held companies.

Serving Technology Industries.

A significant portion of our practice focuses on the representation of businesses competing in technology-intensive industries, such as life sciences and biotechnology, semiconductors, telecommunications and information technology. We work with these clients from the earliest stages through successful exits, helping them achieve their business goals along the way.

“...we appreciate the contribution of the SBIR program to North Carolina’s technology industries.”

The firm has a team of attorneys who focus on representing companies and investors in this unique practice area. Our attorneys are very experienced in the types of transactions common to technology-intensive companies, including venture capital and private placement financings; licensing, development, supply, joint venture and distribution agreements with domestic and international partners; public offerings; and mergers and acquisitions. In addition to superior legal advice and counseling, our extensive experience enables us to provide value-added services and efficient, practical solutions to legal and business problems.

Sponsoring and Supporting Innovation.

Many of our clients have received SBIR awards and we appreciate the contribution of the SBIR program to North Carolina's technology industries. We are a proud sponsor of SBIR/STTR events, including the Annual Southeastern SBIR/STTR Biotech Conference. We look forward to continued support of the SBIR outreach effort and welcome the opportunity to serve North Carolina's innovators.

To learn more about us, visit www.wyrick.com

Contact Information:

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Project Tip - Getting Paid Greenwood Consulting Group, Inc.

When you write an SBIR or STTR proposal, you should have several objectives in mind. One, of course, is to win and get a contract or grant. Another is to propose a project that will lead to a significant Phase III opportunity to commercialize and sell product or services. A third is to charge appropriate indirect rates (aka overhead, G&A, F&A rates) and a fee/profit to ensure that you make money (or at least don't lose any). A fourth is to establish credibility for your firm and open doors for future government grants or contracts.

So what other objective could you possibly have? We think the other objective should be to get yourself paid as quickly as possible.

Now some of you are thinking that we must be profit mongers to make such a statement. But the reality is that you are a small (maybe even a start-up) business, and small businesses commonly fail because they don't collect revenue quickly enough to pay their bills and survive. Even profitable small businesses can fail if they don't collect revenue quickly enough—as a simple example, imagine your company gets a \$10 million contract that costs you only \$8 million to perform—that means you are going to make \$2 million on the project, making it HIGHLY profitable. But now let's say the project has to be completed this month, but you won't get paid until this time next year—you have to incur all costs of labor, materials, equipment, etc. to perform the contract NOW but you don't get paid for it until THEN. At least some of our companies would go belly up between now and then.

So how do you get paid quicker on an SBIR/STTR project? It starts with the cost proposal. Some agencies have a question on their cost proposal form that says something like "As part of this award, will you require Federal Government financing? If so, explain." Most normal people don't understand what that means, and since you have to explain if you answer "yes," many SBIR/STTR proposers answer "no." The interpretation of a "no" answer is that you will complete the ENTIRE SBIR/STTR project, have your final report accepted, send an invoice and THEN you will be paid sometime later. So the first thing you can do to get paid faster is to answer "yes" to any such question on the cost proposal of your SBIR/STTR proposal. So what do you put after "Explain.?" See the next two paragraphs for that answer.

Another important part of the cost proposal that affects how you will get paid is the type of payment you request. There are three basic types: advance, progress, and partial/milestone. Advance means that the agency pays you "in advance" of doing the work—in other words you get some seed money up front to get you started. Progress means that you bill as you "progress" on doing the work—in other words, you get paid after you do some work. Partial/milestone can best be explained in the context of Progress payments. Progress payments often require a pre-award audit of your accounting system to convince the Federal government that your accounting system is adequate for tracking and billing such progress. If you are like most folks, you probably don't want to hold up starting the SBIR/STTR project while such an audit is performed and you make any corrections required because of the audit's findings. Therefore, you can request a Partial or Milestone payment which usually avoids the pre award audit but still allows you to get paid every month or so as you work on the SBIR/STTR project. Under this payment mechanism, you can invoice and get paid as you reach certain milestones, such as when you deliver monthly reports.

Why, you ask, would you want a Partial or Milestone payment if you can get an Advance payment? After all, getting paid BEFORE you do the work sure beats getting paid AFTERWARDS. The answer is that many agencies do not make advance payment awards under their SBIR/STTR programs. As a general rule, agencies that make their awards as contracts (vs. grants) do not use the advance payment mechanism. However, it never hurts to ask on your cost proposal for advance payments—just be prepared to retreat to Partial or Milestone payments if the government balks during negotiations.

Continued on Page 7

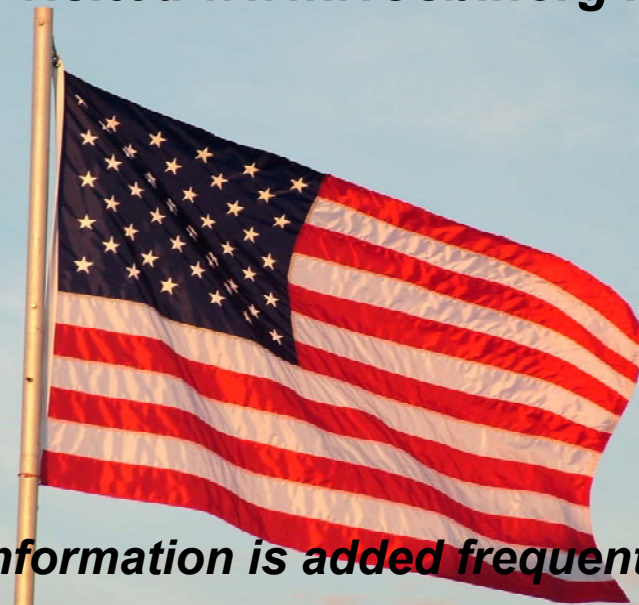
Project Tip - Continued

The next place where you can speed up the payment process is in understanding the rules and conditions of your grant or contract that affect payment. Do you have to submit an invoice or voucher, and if so, is there a particular form or format that must be used? Do you make a request electronically? Does the agency pay you electronically, in which case you have to sign up with your bank to receive electronic payment? Can you only get paid when you can demonstrate that you have incurred costs on the SBIR/STTR project? Do you have all the ID numbers, codes, purchase order numbers, etc. required to submit a valid request? These are important questions that you should ask during negotiations, and continue to ask until you get the hang of how your agency works. We find this to be a great time to be humble: **POLITELY** ask the agency for help in understanding the process, terminology, and how to track your request as it goes through their system. Don't be derogatory, don't complain about the hoops that you have to jump through, don't suggest that you need to tell your Congressperson about the stupid system—none of this will help get you paid any time soon. You also might ask for help from another government contractor in your area that has experience with the same agency: sometimes they will give you some tips on getting paid.

A final place where you can speed up the payment process is in meeting all of your obligations in a timely manner. There are two specific places where your tardiness can hurt you. The first is being slow to invoice: if the end of the month rolls around and you are eligible to submit an invoice, but you are "too busy" to prepare it until the 20th of the next month, then you've just caused yourself a 20 day delay in getting paid. The solution here is to simply make preparing and submitting invoices a top priority. The second place is being slow to complete your project. In most cases, you will not get paid the last part of your SBIR/STTR grant or contract until you finish the work, turn in the final report, and turn in any final required paperwork. Therefore, if you futz around doing these things, you are your own worst enemy. Likewise, do not casually use those "no cost extensions" of time that many agencies offer companies to complete an SBIR/STTR project: it's "no cost" to the government, while it's "no pay" to your company.

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Have you visited www.NCsbir.org lately?



New Information is added frequently.

Be sure to bookmark and check back often!