



SBIR/STTR Submission Deadlines

Agency / Program	Open	Close
NASA - SBIR/STTR	July 7, 2004	September 9, 2004
DoD - SBIR 2004.4	August 2, 2004	October 15, 2004
NIH - SBIR Contracts	August 1, 2004	November 5, 2004
NIH - SBIR/STTR	January 9, 2004	December 1, 2004
NSF - SBIR/STTR	November 8, 2004	December 8, 2004
DOE - SBIR/STTR	September 28, 2004	December 13, 2004
DOC (NIST) - SBIR	October 31, 2004	January 15, 2005

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

NC Improves SBIR Phase 1 Awards by 75% in 2003

North Carolina's small businesses continue to become more competitive in the Small Business Innovation (SBIR) and Small Business Technology Transfer (STTR) federal funding programs. 2003 award data demonstrated vast improvements in a number of areas. The following are 2003 SBIR and STTR award highlights.

Phase 1 SBIR Awards Increase 75 percent

Across agencies, SBIR Phase 1 awards increased 75 percent in 2003. Every project funded via the SBIR and STTR programs must commence with a Phase 1 award. While Phase 1 awards range from \$60 to \$100K, they open the door to the opportunity to receive a much more substantial award in Phase 2, often \$750,000 and, in some cases, more.

Continued on Page 2

Inside this Issue

2003 Award Highlights for NC	Proposal Tip - Acquiring Equipment
Agency Award Data Online	NC Success Story - STI
Calendar of Events	Sponsor Overview - CED

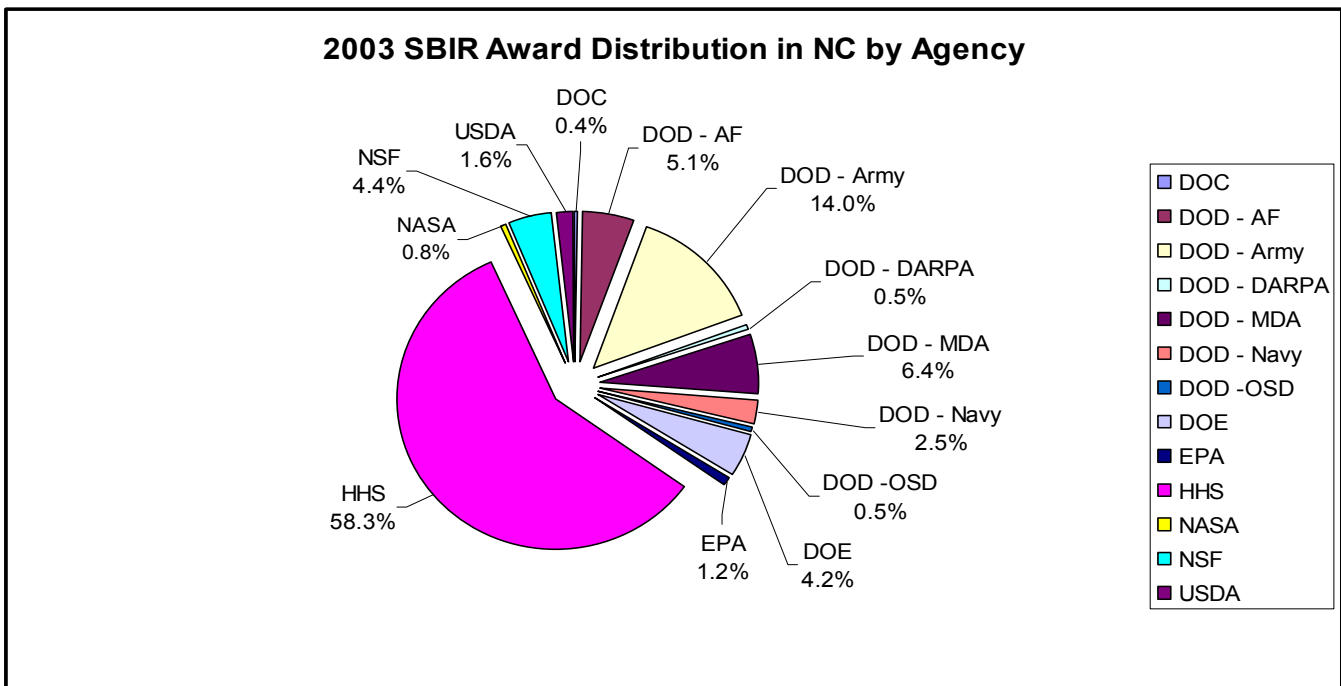
Continued - 2003 SBIR and STTR Award Highlights for NC

Department of Defense (DoD) Awards Increase 58 percent

Awardees of DoD SBIR and STTR funds accounted for 21 percent of all awards in North Carolina during 2003. Military branches represented by these awards include Army, Navy, Air Force, Missile Defense Association, DARPA, and OSD. DoD accounts for over half of the entire SBIR and STTR federal budgets. The SBTDC has made a concerted effort to provide extensive outreach to North Carolina's small R&D firms to increase their awareness of DoD funding opportunities. While NIH continues to reign as the top awarding agency in North Carolina, our efforts to expand the awareness of the copious R&D funding opportunities under the DoD umbrella are coming to fruition.

NIH Awards hold top spot at 59 percent

NIH accounts for over one third of the total SBIR/STTR budget. NIH continues to award the majority of SBIR/STTR awards in North Carolina, which is not surprising given the large number of small biotech firms that call North Carolina home.



RTP SBIR Performance

Triangle firms received over \$17M in funds from these programs which account for the majority of SBIR/STTR dollars in the state. While the SBTDC's outreach efforts span the entire state, RTP remains by far the hotbed of early-stage R&D firms eligible for these funds.

Learn more about the SBIR/STTR outreach, education, and proposal assistance the SBTDC provides, as well as a multitude of success stories, at the SBTDC's SBIR portal, www.ncsbir.org.

Remember that SBIR/STTR grants are often dwarfed by the few multi-million-dollar awards that often grab the local headlines. However, all SBIR/STTR dollars sow the seeds of future success for North Carolina R&D firms. These early-stage dollars are very often the catalyst to the larger venture-funded deals that receive all the press.

Agency Award Data Online

[USDA](#)
[DOC - NOAA](#)
[DOC - NIST](#)
[DoD](#)
[ED](#)
[DOE](#)

[NIH](#)
[DHS](#)
[DOT](#)
[EPA](#)
[NASA](#)
[NSF](#)

Calendar of Events

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
8:00 - 10:00AM

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

Fourth Annual Southeastern Biotechnology R&D Funding Conference

December 1, 2004

NC Biotechnology Center - RTP, NC

**Save the Date for the Southeast's
Premier Annual Biotech Event!**

September 9th

Carolina Innovations Seminar
Chapel Hill, NC [Information](#)

September 14th

Charlotte's Emerging Role In Biotechnology 2004
Charlotte, NC [Information](#)

September 20th

Biotechnology Forum - Meet the New Companies
RTP, NC [Information](#)

September 23rd

Triangle Tech Journal Deck Party
Durham, NC [Information](#)

October 8, 2004

InfoTech 2004
RTP, NC [Registration](#)

Proposal Tip - Acquiring Equipment ***Greenwood Consulting Group, Inc.***

You may determine that you need to acquire or otherwise access some unique equipment as part of your SBIR or STTR project. If that is the case, you should carefully decide how you will access that equipment and cover its cost.

The first consideration in a Phase 1 project is to determine whether the agency will permit the purchase of equipment as part of the project budget. Some agencies will, others will not. The logic in not allowing such purchases is clear: why should the agency pay for you to buy an expensive piece of equipment for a six-month feasibility study—especially if the project proves to be infeasible?

If purchase is not allowed, then consider including a direct charge to the project for the cost of leasing the equipment or accessing the equipment through a time share arrangement. Not only does this help cover the cost of the equipment usage but also may cause the agency to change its mind about allowing you to buy rather than lease it: we know of several situations in which the cost to lease or time share the equipment is so high relative to the cost of purchase that the agency allowed the SBIR/STTR company to purchase it instead.

If you are allowed to purchase equipment for your project, and if you pay for it out of the direct cost related project costs, then you will need to consider who owns the equipment after it is bought. Most SBIR/STTR companies assume that (since they requested the equipment as part of their project budget, bought the equipment, and are the only user of the equipment) that they own it. This is not always the case. As a rule of thumb, if the agency made the SBIR/STTR award as a grant, then your company owns the equipment, whereas awards made as contracts usually mean that the equipment ownership remains with the Federal government. In the latter case, you may be able to ultimately negotiate with the agency to take ownership of the equipment, but this is not automatic or guaranteed, and you certainly can't put the equipment on your balance sheet as a company asset when you don't own it.

Would you prefer to circumvent all of the questions about ownership and allowability of equipment purchase? One answer is to buy the equipment out of other, non-SBIR/STTR funds. You can then recoup some of the cost of the equipment purchase by including an appropriate depreciation expense as part of your indirect rate. Note this means that you can only get "reimbursed" for the equipment cost over time (minus salvage value), and that the reimbursement is spread across all of your projects (SBIR/STTR, private sector, or otherwise), so it is not a perfect alternative.

Three final points about equipment and the SBIR/STTR program...

First, do not expect the agency to allow you to acquire, as direct project expenses, basic equipment that they believe a company like yours and in your industry should already own. Put another way, do not write in the cost of setting up your basic business equipment and furniture as a direct project cost in your SBIR/STTR cost proposal.

Second, note that there can be a difference in how you treat the cost of the equipment itself versus its operational costs. For example, you may use a piece of fully depreciated equipment in an SBIR/STTR project that your firm already owns, which suggests that the cost of that equipment may not be directly chargeable to the project, but the costs of using the equipment on the SBIR/STTR project are—provided that such costs (like disposables or consumables) are for the exclusive use of the project.

Finally, consider accessing sophisticated equipment through universities or federal laboratories. The latter are restricted to making available to you equipment that is unique and therefore non-competitive with what is available commercially, and be sure to understand the full cost of their use which may include labor costs related to a mandatory federal lab operator.

Copyright © 2002 by Greenwood Consulting Group, Inc.

Proposal Writing Tip Archive

Visit the Greenwood Consulting Group Website

Click Here

NC SBIR Success Southeast TechInventures

STI Fosters Commercialization with an Innovative Technology Licensing Model

Southeast TechInventures (STI), located in Durham, was formed to build an effective and profitable technology accelerator for translating scientific breakthroughs from southeastern universities into new technology ventures.

STI is a unique business model that licenses intellectual property from universities, secures federal dollars for Phase I and II research, and develops technologies into viable companies capable of attracting top-caliber management and financing.

What does this mean for North Carolina? It means that North Carolina can begin to organically grow an entrepreneurial high-tech culture, instead of a transplant one. Other value? Keep talent in the area; generate tax base; create jobs; leverage university reputations; and leverage the area's competencies in biotechnology, communications, and healthcare.

Technologies licensed by STI are in the areas of bioengineering, material sciences, photonics and communications, and security and surveillance.

STI leads with the SBIR process recognizing it is a tremendous program to test the viability of an idea. At the same time, STI increases the future valuation of its spin-off companies by using these federal research dollars to complete prototypes before financing rounds begin. Lastly, STI benefits investors by its success with SBIR proposals in mitigating some of the investment risk normally associated with early stage ventures.

Four SBIRs have been awarded to STI with hit ratios exceeding the national average. Awarded SBIRs are:

1. NSF: MatchBox Display Systems
2. NIH: Swept Source Ophthalmic Optical Coherence Tomography
3. NIH: Small Animal Fourier Domain OCT Microscope
4. NIH: Non-Contact Ophthalmic Optical Pachymeter

STI's co-founders are President Karen LeVert and Duke University's Dean of the School of Engineering, Kristina Johnson. Karen used SBTDC services when she built her first company in 1997. With the SBIR process, she advises companies to use SBTDC resources and to participate in workshops offered for SBIR assistance to exponentially increase a company's chance of success.

For more information about Southeast TechInventures, please contact Karen LeVert at: klevert@setechinv.com or 919-572-6581.



NC SBIR Event Sponsor Overview

CED



Starting and growing a business is not an easy task. Just ask anyone who's taken an entrepreneurial leap, and they'll tell you about the long hours, multi-tasking, and myriad other challenges.

Despite these hurdles to success, entrepreneurs can tap into multiple resources in the area for help as they build sustainable ventures. One of those local resources is the Council for Entrepreneurial Development (CED), an RTP-based nonprofit whose mission over the past 20 years has been to serve high-growth entrepreneurial companies in the region.

With more than 3,500 active members representing 1,000 companies, CED achieves its mission by providing programs and services in four major areas: education, capital formation, mentoring, and communications. Through these efforts, CED provides entrepreneurs with the knowledge, networks, and skills to be successful.

CED provides an interactive forum for entrepreneurs, investors, service partners, academicians, researchers, and public policy makers who combine their energies to create an environment in which entrepreneurship can flourish. CED has helped entrepreneurs in multiple industries (high-tech, software, hardware, life science, medical device, professional services, etc.) and at all stages of development — ranging from one-person start-ups to 1,000-person businesses.

As a sponsor of the SBTDC's SBIR outreach events, CED understands the importance of grant funding to the success of early-stage companies. In addition to supporting valuable partner programs (such as SBTDC's December 2004 conference on SBIR/STTR Funding), CED also offers a collection of hands-on mentoring and training programs that assist entrepreneurs at different stages of their company — from the idea stage to funding to product launch and beyond. Many CED members are still developing an idea or are in very early stages, while others might have already secured venture capital or Phase I/II SBIR grants. Regardless of stage or industry, CED members find value in the educational and networking opportunities provided at CED events.

CED understands the importance of grant funding to the success of early-stage companies

CED's programs provide entrepreneurs with tools to evaluate their ideas, refine their business concepts, develop business plans, and raise capital. Among the CED programs that might be of particular interest to early-stage companies include the following:

- ◆ **Innovator's Workshops** are designed to help prospective entrepreneurs and innovators evaluate the business feasibility of their ideas through an understanding of the financial, management, and marketing dynamics involved in creating a new venture.
- ◆ **FastTrac Tech** is a ten-week, comprehensive entrepreneurial training course that develops critical skills and networks for innovators whose ideas and market opportunities will demand significant external financing from investors, strategic partners, and/or other external sources.
- ◆ **Industry Forums** explore the changing innovation marketplace and strengthen networks between entrepreneurs and their various business partners. Underscoring the need for entrepreneurs to get together, CED's Biotechnology Forum and Technology Forum are each held bi-monthly in the RTP.
- ◆ **Entrepreneur '04 Conference**, set for Oct. 30 at Duke University's Fuqua School of Business, will be a broad-based, full-day event for anyone interested in starting and growing a business.

CED also offers other conferences focused on biotechnology, information technology, and venture capital.

For more information on CED, visit www.cednc.org or call 919.549.7500.