

## News from the National Institute of General Medical Sciences (NIGMS)<sup>1</sup>

### **WHAT ARE THE SMALL BUSINESS INNOVATION RESEARCH (SBIR) AND SMALL BUSINESS TECHNOLOGY TRANSFER (STTR) PROGRAMS? WHAT KINDS OF AWARDS ARE AVAILABLE? WHO CAN PARTICIPATE? HOW CAN I GET CURRENT INFORMATION AND AN APPLICATION?**

This column was inspired by inquiries received about the NIH small business programs. There is an article in *Science* 272:942-944 (1996) that summarizes the growing effort to assist the development of small, high-tech businesses. The SBIR effort was started in 1982 to help small companies commercialize their ideas with the help of federal research and development funds. SBIR and the newer STTR programs are funded from by a small, but growing, Congressionally-mandated set-aside on the research budgets of 11 federal agencies. The grants are intended to give small enterprises the chance to test ideas without the need to go immediately to seek venture capital, but eventually, if successful, the technology must succeed in the marketplace without federal funds.

There are several phases to the small business programs. Phase I tests the technical merit and/or feasibility of an idea, Phase II is used to develop the product or scale up the technology to get it ready for commercialization, and Phase III is the commercialization aspect, in which NIH is not involved, and requires pledges of a third party's commitment to support. The applications are competitively reviewed by special study sections that have both scientific expertise and small business representation. Awards are made by the funding institutes, often in accord with pre-announced topics described in the SBIR and STTR grants solicitations. The Department of Health and Human Services, which includes the NIH, ranks second only to the Department of Defense in the amount of money spent on SBIR grants. In 1995 the NIH made 830 awards, totaling \$132 million.

The principal investigator on an SBIR grant must be a single individual responsible for the scientific and technical direction of the project who is employed greater than 50% of the time at the small business. In contrast, the STTR program does not require that the principal investigator have primary employment at a small business, and permits primary employment at another institution, such as a research organization; the STTR program does require that a small business officially "team" with the research institution in the collaborative conduct of the project. In order to qualify as a small business, an organization must be independently owned and operated, must not be dominant in its field, must have its principal location in the U.S., must be organized for profit, must be at least 51% owned by U.S. citizens, may not have more than 500 employees, and must meet other regulatory requirements described in federal law.

Presently, the budgets for the SBIR and STTR grants are slightly different in total costs and time periods. For an SBIR: Phase I award is up to \$100,000 for 6 months, Phase II is up to \$750,000 over 2 years, and Phase III receives no federal support. For an STTR: Phase I is up to \$100,000 over 1 year, Phase II is up to \$500,000 over 2 years, and Phase III again receives no federal support. These guidelines are for are grant applications (contracts are also available), which are reviewed for technical merit, qualifications of the personnel, innovation, potential for commercialization, facilities, and budgetary aspects.

The most recent omnibus solicitations, which include program descriptions and research topics, can be obtained from the SBIR/STTR Solicitation Office, 13687 Baltimore Ave., Laurel, MD 20707-5096, Phone (301) 206-9385, FAX (301) 206-9722, e-mail a2y@cu.nih.gov. SBIR and STTR solicitations must be requested separately. Application deadlines for SBIR applications are April 15, August 15, and December 15. Application deadlines for STTR applications are April 1, August 1, and December 1.

Rochelle M. Long, Ph.D.  
Program Director  
Pharmacological and Physiological Sciences  
(PPS) Branch  
Pharmacology, Physiology,  
and Biological Chemistry (PPBC) Division  
NIGMS, NIH<sup>2</sup>

<sup>1</sup> NOTE: In the last appearance of this column, a new system for scoring grant applications was described as under development. The NIH Committee on Improving Peer Review has now posted a "Report on Rating of Grant Applications" on the NIH home page, which can be accessed at <http://www.nih.gov/grants/rga.htm>. Feedback from the extramural community is sought, and will be used to determine the final outcome. Read the report and comment to the e-mail address: DDER@NIH.GOV by October 1, 1996.

<sup>2</sup> Future topics for this column: training opportunities at the NIH, research grants to women, program announcements at NIGMS, and your suggestions. Send comments on this column to: LONGR@GM1-NIGMS.NIH.GOV. NIGMS home page: <http://www.nih.gov/nigms>