

Nebraska Department of Economic Development
Nebraska Small Business Innovation Research (SBIR)/Small Business Technology Transfer
(STTR) Initiative Guidelines

The Nebraska Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Initiative establishes a program to provide financial assistance to small businesses with a principal place of business in Nebraska engaging in the federal SBIR/STTR programs. This initiative by the State of Nebraska is designed to support applications to the federal Small Business Innovation Research/Small Business Technology Transfer program (Phase 0) and for the matching of successful federal Small Business Innovation Research/Small Business Technology Transfer program applications (Phase 1 and 2). The total funds available through the Nebraska SBIR/STTR Initiative will be a maximum of \$6 million per year.

The federal Small Business Innovation Research/Small Business Technology Transfer program provides funding competitions in two phases that are relevant to the Nebraska SBIR/STTR Initiative. Phase 1 - to conduct feasibility research; and Phase 2 - to expand and develop Phase 1 results into commercially viable innovations. The federal SBIR/STTR program is administered by 11 federal agencies. Applicants for federal SBIR/STTR program funding compete by submitting proposals in response to solicitations issued by the participating federal agencies.

Small businesses apply for funding under the Nebraska SBIR/STTR Initiative by applying to the Nebraska Department of Economic Development.

ELIGIBLE APPLICANTS & REQUIREMENTS

Small businesses that qualify under the federal SBIR/STTR program for the purposes of submitting an application under the federal program are eligible to apply for funding through the Nebraska SBIR/STTR Initiative. There are two types of assistance available under this program: Phase 0, and Phase 1 and 2 matching funds.

Phase 0 Program for assistance in submitting a federal SBIR/STTR application

- Applicant must be a for-profit small business with its principal place of business in Nebraska;
- Applicant must submit a qualified SBIR/STTR Phase 1 proposal to a participating federal agency in response to a specific federal solicitation;
- Applicant must meet all federal SBIR/STTR program eligibility requirements that are applicable to the relevant federal solicitation;
- Applicant must not receive concurrent funding support from other sources that duplicates the purpose of the Nebraska Phase 0 initiative, without DED approval;
- Applications must be received by DED no later than 30 days before the closing date of the federal solicitation to which the applicant is applying. Any applications received by

DED less than 30 days before the submission deadline in the federal solicitation will be returned without consideration;

- Applicant must conduct at least 51% of the activities described in the federal SBIR/STTR proposal in Nebraska, and must maintain significant Nebraska operations during the entire corresponding federal SBIR/STTR Phase 1 project, if awarded federal funding;
- Proposals resubmitted to a federal agency, for which the applicant has already received a DED Phase 0 award for the same project, are not eligible for an additional DED Phase 0 award;
- Applicant must notify DED of award or decline of their Phase 1 proposal; and
- DED reserves the right to limit the number of Phase 0 awards per applicant.

Phase 1 and 2 Matching Program for successful federal SBIR/STTR applications

- Applicant must be a for-profit small business with its principal place of business in Nebraska;
- Applicant must meet all federal SBIR/STTR Program eligibility requirements that are applicable to the relevant federal solicitation;
- Applicant must perform at least 51% of the activities conducted under the Phase 1 research and subsequent Phase 2 effort (if awarded), in Nebraska;
- Applicant must maintain significant Nebraska business operations for the duration of the Phase 1 and Phase 2 performance periods; and
- Applicant must not receive concurrent funding support from other sources that duplicates the purpose of the Nebraska Phase I or II match program, without DED approval.

Phase 1 Matching Applicants

1. Applicant must have received official notification of Phase 1 award by the federal SBIR/STTR agency during the application cycle; and
2. Applications for Phase 1 matching program funds must be received no later than 45 days after the date of notification of Phase 1 award by the federal SBIR/STTR agency. Any applications received by DED after 45 days from the award notification by the federal agency will be returned without consideration.

Phase 2 Matching Applicants

1. Applicant must have successfully completed their Phase 1 effort corresponding to the federal award and have submitted a final Phase 1 report to the granting federal SBIR/STTR program agency (and to DED, if requested by DED);

2. Applicant must have received notification of the successful completion of the Phase 1 effort from the participating federal SBIR/STTR program agency and must submit to DED proof that the federal SBIR/STTR Phase 2 proposal has been submitted to, and received by, the particular federal agency; and
3. Eligible costs may be incurred, award made, but DED matching funds are not made available until federal approval of Phase 2 grant.

AMOUNT OF FUNDING AVAILABLE, GRANT LIMITATIONS AND MATCHING REQUIREMENTS

The Department may award up to \$6 million per year for grants through the Nebraska SBIR/STTR Program. The Department reserves the right to award less than \$6 million per year subject to demand, department budget, and available funds. The Department also reserves the right to redistribute funding between programs funded through the Business Innovation Act so long as the Department meets minimum award amounts and does not exceed the maximum amounts authorized by statute.

Phase 0 grants will reimburse qualified applicants, up to \$5,000 per project, for costs incurred in preparing and submitting a federal Phase 1 proposal to a solicitation from a federal agency. Reimbursable costs include: proposal preparation consulting fees paid to others; typing/word processing services; project related supplies and postage; database search fees for project related literature search; rental space and/or equipment directly related to the preparation of the federal proposal; and salaries of individuals who were directly involved in preparation of the Phase 1 proposal.

Phase 1 matching grants will match federal SBIR/STTR awards and will not exceed \$150,000 or 65% of the federal SBIR/STTR grant, whichever is less. Phase 2 matching grants will match federal SBIR/STTR awards and will not exceed \$300,000 or 65% of the federal SBIR/STTR grant, whichever is less.

Only the federal SBIR/STTR funding is required to match the Nebraska SBIR/STTR Initiative.

PROJECT SELECTION CRITERIA

Evaluation criteria that will be considered in evaluation of applications under the Nebraska SBIR/STTR Initiative include, but are not limited to:

1. Scientific and technical merit and feasibility of the proposal;
2. Qualifications of the Principal Investigator, team, and consultants; and
3. Potential for successful commercialization or federal contract of the new product or process.

APPLICATION TIMING AND PROCESS

Applications will be accepted from July 1 through June 30 of each fiscal year until all funds are exhausted. Applicants must apply online via the application link available on the program page (<https://opportunity.nebraska.gov/programs/business/sbir-sttr/>) and must fully comply with all requirements within the time period specified, in order to be eligible for an SBIR/STTR Phase 0, Phase 1 matching award and Phase 2 matching award. Applications that do not include ALL of the documents specified or that contain documents that have not been fully completed, will be considered incomplete and will be returned to the applicant without further review. At its discretion, DED may request supplemental materials from the applicant and such materials must be received within 15 days of the date of the request or the application may be returned to the applicant without further review.

DED CONTACT PERSON

For clarifications on the Nebraska SBIR/STTR Initiative, please direct your inquiries to:

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Business Innovation Consultant
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Nebraska Dept. of Economic Development SBIR/STTR Grant Frequently Asked Questions

When can I apply for the SBIR/STTR matching grants?

The program operates on a fiscal year that runs from July 1st to June 30th of every year. DED accepts and reviews applications on an ongoing basis until program funding is exhausted. It is highly recommended that anyone interested in the grant reach out to program staff to determine funding status prior to applying.

For SBIR/STTR programs, there are additional parameters that may disqualify a project from initial review. Any SBIR/STTR Phase 0 applications received by DED less than 30 days before the submission deadline in the federal solicitation will be returned without consideration. Any Phase 1 or Phase 2 applications received by DED after 45 days from the award notification by the federal agency will be returned without consideration.

What does the review process entail? Will I get a chance to pitch the project?

Program staff will typically do an initial review of application and interview the applicant to collect additional information or provide clarification. Program staff will then forward application materials to a project review committee which consists of DED staff for them to review. The project review committee will then provide a funding recommendation.

Businesses do not directly pitch the project directly to the project review committee.

How quickly will my application be reviewed?

DED typically reviews project proposals every other week and responds to applications within 3-5 weeks. This can vary during periods of higher demand but projects are typically reviewed in the order they are received.

If approved, how do I access the funding?

This grant functions on a reimbursement basis. The business must pay for the qualified expenses and then request reimbursement for those expenses from DED through the grant management system DED utilizes. This reimbursement request must be accompanied by documentation of expenses and proof of payment (payroll records, vendor invoices, material receipts, cancelled checks, etc). If the reimbursement request is approved, DED will reimburse eligible costs up to the award amount.

What expenses are allowed for reimbursement?

The expenses that are allowed are typically expenses that the company will incur that are outside of the scope of the federal award received. This includes items that are outside the timeline of the federal award or necessary expenses that are not approved under the award. Approved project expenses will be decided by the project review committee.

For the Phase 0 grant, approved expenses typically include grant writing services and technical review that are necessary for the application to a federal solicitation.

Can historical expenses be reimbursed?

Expenses can only be reimbursed if they were incurred within the contract period. All expenses incurred prior to this date cannot be reimbursed through the grant. You may begin development on the project prior to the date of the grant, but those funds will not be eligible for reimbursement.

Who makes the final decision for the funding through the grant?

The decision is ultimately made by an internal project review committee. The BIA program staff will act as an advocate and present all applications to the committee. After an application is submitted, a member of the program staff will set up a meeting with the applicant to ensure that a clear picture of the project is brought to the committee.

Does the business applying need to be formed in Nebraska?

No, the business does not need to be formed in Nebraska, but it will need to be qualified to do business in the State of Nebraska and also have primary operations within the state. The qualification to conduct business will be done by registering with the Nebraska Secretary of State's office and the company will need to maintain a good standing status.

Are there any restrictions on moving the business after receiving the grant?

Yes, the company cannot move its primary business from Nebraska during the contract term. This includes any merger or acquisition that the company may undertake in the future. If the company moves, the Department may immediately terminate the contract and any and all program funds the company received will be immediately due for repayment.

Who will see my application materials?

Typically project materials are only reviewed by the program staff and the project review committee that makes funding decisions. DED does reserve the right to seek outside counsel for technical review if necessary.

Is my application/business plan subject to public records requests?

Per Nebraska Revised Statute 81-12,166, all application materials may be considered confidential and DED may elect to not release them upon request. Award information such as the name of business, location, award amount, etc. are not considered confidential.

Will DED sign a non-disclosure agreement?

No, DED staff cannot sign NDAs.

I have a question not covered here.

Please contact program staff to discuss.