

Guidance on SBIR & STTR

Individuals Serving as the University PI and Small Business (SB) PI:

- **SBIR:** SB PI must be primarily employed by the SB and, therefore, full-time faculty cannot serve as PI for the SB. To serve as PI for the SB, the faculty member cannot have an appointment of greater than 49%.
- **STTR:** The PI named on the award may be primarily employed by either the SB or the University. The exception is for NSF STTR awards, in which the PI named on the award must be primarily employed by the SB.
- **Serving as both SB and University PI:** For both SBIR and STTR awards, the SB PI and the RI PI may not be the same individual. While not explicitly stated, the STTR/SBIR policy, instructions, and project percentage requirements make clear that establishing a separation of entities and roles is important. Having the same person on both sides of the collaboration blurs the respective parties' project roles, responsibilities, and effort/time commitments.

Role and Responsibility of Small Business (SB) vs. Research Institute (RI)

SB: The PI at the SB must complete and submit the proposal; it cannot use the university's sponsored project office for its portion of the proposal. If awarded, the SB must comply with all requirements in the federal agreement, including but not limited to submitting all programmatic and financial reports. Additionally, the SB must issue a subaward to the RI.

RI: The PI must work with their university sponsored project office for review and approval of their scope of work, budget, and any additional materials to be provided to the SB. If awarded, the university sponsored project office will review and negotiate as needed the terms and conditions of the subaward from the SB.

Small Business Using University Resources

The small business may not use University facilities or other resources for the conduct of the company's business or activities on a proposal, primary award, or any other company-related activities (e.g., employee benefits and payroll).

The small business must pay for the use of all university resources, including but not limited to space, equipment (including phones), software (including email), use of review committees (such as for animal and human subjects research), and personnel. **Payment can be through contractual services or a sub-award; the latter requires a University PI and is processed through the University's sponsored projects office.** See SIUE's [Policy 6A3 Governing Lease of University Space or Real Property](#). In addition to sub-awarding to the University on an SBIR/STTR, there are opportunities to contract for fee-for-service work (see [Small Business Development Center](#))

The small businesses may choose to occupy space in an officially designated Technology Park or Incubator Laboratory Facility. Work conducted at the Technology Park or Incubator Laboratory Facility is not considered to be a university activity or use of university resources. Companies

that occupy space in these facilities must have a written agreement with the University to compensate the University at fair market value.

Potential Conflicts of Interest and Commitment

Faculty who are associated with the small business can hire **but cannot advise or grade students**. The faculty member must comply with the terms of their conflict of interest management plan regarding notifying students of the faculty member's relationship with the small business.

If there is a relationship between university personnel and small business personnel, then that relationship must be disclosed prior to submission of a proposal.

Managing IP

If university technologies are desired by a small business, the SIU Office of Technology Management and Industry Relations (OTMIR) can assist with the required intellectual property asset interests the government demands for the business to submit a competitive SBIR/STTR application. Frequently, for Phase I applications, option agreements or licenses are not required for a successful proposal, but a bona fide intent to enter into such an agreement with the University is required. For Phase 2, a license agreement will be required. The OTMIR can assist with both requirements and assist with information on additional resources that the University might be able to provide.

If no university technology is involved, the contractual agreement with the University will dictate the intellectual property terms.

If NIH funding will be involved, see their [FAQ](#) regarding SBIR/STTR projects and data sharing.