Finding and Applying to Funding Opportunities For and With For-Profit Industry Entities

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Overview

• Why do for profits care about research?
• Grants @ For-Profits
• States
• Agreements with Industry
• SBIR/STTR Facts
• SBIR/STTR Characteristics
Why do for-profits care about research?

According to the NSF, in fiscal year 2018; federal grants and contracts obligated $122 billion dollars for research and development, below is the breakdown by awardee:

- **Intramural**: 27%
- **Industry**: 35%
- **Universities**: 28%
- **Other nonprofits**: 9%
- **State, local governments**: 0%
- **Foreign**: 1%
For – Profit entities should be aware of the following when managing federal grants.

The **cost principles for commercial organizations** set forth in the FAR (48 CFR 31.2) are used to determine allowable costs on federal grants.

The **reporting requirements and systems will differ** from federal contracts for example; reporting highest paid officers and using NSF Fastlane or NIH Commons.

**No fixed fee** (Typically 5.5% TDC) is allowed on a federal...
Case Study 1

A large auto manufacturer applied for a Department of Energy grant.

- April 6th: Department of Energy Announcing $12 Million For Wireless EV Charging
  - Office of Energy Efficiency and Renewable Energy Vehicle Technologies Program
    - DOE will award up to $12 million total
    - Maximum award of $8 million
    - 20% Cost share match required
    - Up to four projects will be selected
Case Study 1 - Image
States also issue grants to for-profit entities and to encourage collaboration between institutions and for-profit entities.

**Common Requirements**

- Business must have substantial footprint in the state via headcount, incorporation, or land
- Commitments to support local and state communities
- Partnerships with a local university or hospital

**Examples**

- “Phase 0” SBIR/STTR grants provide training and seed funding to support SBIR/STTR Phase I applications
- Matching funds to support research in an industry important to the state (Mining, Agriculture, Tourism)
### Agreements with Industry

For-profit firms and institutions (Universities, Non-Profits etc.) need agreements to protect themselves when applying for federal solicitations.

| Confidentiality | • Confidentiality (CDA) or Non-Disclosure (NDA) agreements may be required prior to sharing information for a proposal together.  
• This protects the property information of the for-profit entity and institution |
| Teaming Agreements | • Teaming Agreements (TA) are signed between for-profits and institutions to exclude both parties from applying to the same solicitation with other partners  
• Not a formal subcontract between either party but will promise to negotiate a subcontract in “good faith” |
| Subcontracts | • Subcontracts establish the formal legal relationship oversee the scope of work  
• Subcontracts should protect existing IP and future IP. This is critical to protecting the profit of for-profits and institutions investigators/mission  
• Previous agreements (CDA, NDA, TA) may still apply or may be incorporated by reference |
Case Study 2

A large university is collaborating with a large defense contractor, below is the lifecycle of the award.

**Pre Award**
- NDA/CDA
- Teaming Agreement
- Proposal Development/Writing
- Submission

**Post Award**
- Award
- Issue/Negotiate Subcontract
- Discovery and File Patent
- Negotiate Licensing Agreement
- Split Royalties
SBIR/STTR Facts

SBIR – Small Business Innovation Research

• Small Business Development Act of 1982
• Small Business Reauthorization Act of 2000 (through Sep 2022)
• 3.2% Extramural Research Agencies w/ Budget > $100 MM
• Mission: Stimulate Innovation; Economic Growth

STTR – Small Business Technology Transfer

• Small Business Technology Transfer Act of 1992
• Reauthorized through September 2022
• 0.45% of Agency Budget (Budget > $1B)
• Collaboration Between Small Business and NFP Research
SBIR/STTR Characteristics

These are the phases and characteristics of each phase of the SBIR/STTR funding.

**Phase I**
- Feasibility, merit and commercial potential
  - Duration 6 – 12 Months
  - Award amount average $163,952 (FY ’18)

**Phase II**
- Complete R&D, efficacy, merit
  - Duration 24 Months
  - Award amount average $1,093,015 (FY ‘18)
  - Commercial potential and a past record
  - Funding & “Commitments”

**Phase III**
- Commercialization
  - Unfunded; Non-Cash; In-Kind Support
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Questions?
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