



*Federal and State Funding Sources – and a few  
other rocks to look under*

*TCN, November 8, 2007*

*Facilitating technology transfer from the  
Commonwealth's research institutions to its  
companies.*

# Federal

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## SBIR

- 2.5% of agency research budget
- Competitively awarded grants
  - Phase 1 Proof of Concept (NIH \$100K and 6 months)
  - Phase 2 Development (NIH \$750K and 2 years)
- For Profit, Small and US Company – 51% owned by individual(s)
- PI's primary employment must be with the company
- May have a university/research partner

# Federal

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- SBIR
  - Workshops and Conferences
  - Grant writers
  - Try to meet agency staff (pre-solicitation)

**WEB SITE ADDRESS AT SBA FOR  
THE AGENCIES' SBIR LINKS:**

**<http://www.sba.gov/sbir/indexprograms2.html>**

DOD  
DOE  
DOC  
ED

HHS  
NSF  
EPA

NASA  
USDA  
DOT

# Federal

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## SBIR

### Pros –

- It is a grant

### Cons –

- Long Solicitation Process

- March-in Rights

- Have to incorporate

- Have to have good accounting systems

- Very competitive in some agencies

# Federal

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## STTR

- .3% of larger agency research budgets
- Competitively awarded grants
  - Phase 1 Proof of Concept (NIH \$100K and 6 months)
  - Phase 2 Development (NIH \$750K and 2 years)
- Must have a university partner
- Must work out technology transfer arrangements
- Less competitive than SBIR

# Federal

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## Other

- NIH – RO1's
- NIST - ATP
- DoD and DARPA
- Special initiatives – e.g. [CCATSanDigeo.org](http://CCATSanDigeo.org)

# Federal

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## SBA Guaranteed Loans

- 7a and 504
- More of a bank loan
- Need to show sustainable revenues
- They do need to have a guarantee on the loan – e.g. your house!



# State

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Renewable Energy Trust at Mass Tech Collaborative

- <http://www.masstech.org/seed/index.asp>

Sustainable Energy Economic Development (SEED)

- Up to \$500,000 of funding in the form of a convertible loan will be available for new product development activities.
- 5-yr, 8% Note with deferred debt service (no royalties)
  - Years 0-2: Interest accrues
  - Year 3: Current interest is due quarterly
  - Year 4: Remaining interest is amortized quarterly through due date, at which point Principal is also payable.
- Convertible to equity
  - Automatically converts at a 25% discount during a qualified financing round
- Conditional on matching funds
- One award per company in any 12 month period

# State

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## Mass Tech Development Corporation – MTDC

- State VC fund
- Early stage – seed and first round
- Investment (they take equity)
- Must be in Massachusetts
- Don't like biotech

# State

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## MTTC – Proof of Concept Grants

- Up to \$40K
- Researcher at University
- Must show commercialization potential

# Others

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Business Plan Competitions

Foundation Grants – e.g. Juvenile Diabetes

Foreign Countries – e.g. France Entrepreneurship  
Program

Large Companies



[www.mattcenter.org](http://www.mattcenter.org)

[www.masstechportal.org](http://www.masstechportal.org)

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