

Acquisition Hour:

Update on SBIR – STTR

June 17 | Noon – 1:00 pm

Presented by:
Marc Violante, Wisconsin Procurement Institute





Assisting Wisconsin businesses compete in the government marketplace.

WPI is Wisconsin's APEX ACCELERATOR

The APEX Accelerators program, under management of the Department of Defense (DOD) Office of Small Business Programs (OSBP), plays a critical role in the Department's efforts to identify and engage with a wide range of businesses entering and participating in the defense supply-chain. The program provides the education and training that all businesses need to participate to become capable of participating in DOD and other government contracts.

WPI provides services and training to all of Wisconsin's 72 counties

- Individual counseling at our offices, client's facility or virtually
- Small group training – webinars and workshops including Acquisition Hours, Cyber Fridays, Evening FAR sessions, Federal Market Insights and Local Government Sales Opportunities
- Conferences the Governors Marketplace, The Contracting Academy (TCA), WEDCs Small Business Academy, Wisconsin Federal Contractor Forum [DC and in-state], Government Opportunities Business Conference GOBC) with WI military bases, End of Year Federal Contractor Update, Annual DOD Contract Management Update, and more.....

www.wispro.org

WPI OFFICE LOCATIONS

- **MILWAUKEE**

- *Technology Innovation Center*

- **MADISON**

- *FEED Kitchens*
- *Dane County Latino Chamber of Commerce*
- *Madison Area Technical College (MATC)*

- **CAMP DOUGLAS**

- *Juneau County Economic Development Corporation (JCEDC)*

- **EAU CLAIRE**

- *Western Dairyland*

- **FOND DU LAC**

- *Envision Greater Fond du Lac*

- **GREEN BAY**

- *NWTC Startup Hub*

- **LACROSSE**

- *Veterans in Professions*

- **MANITOWOC**

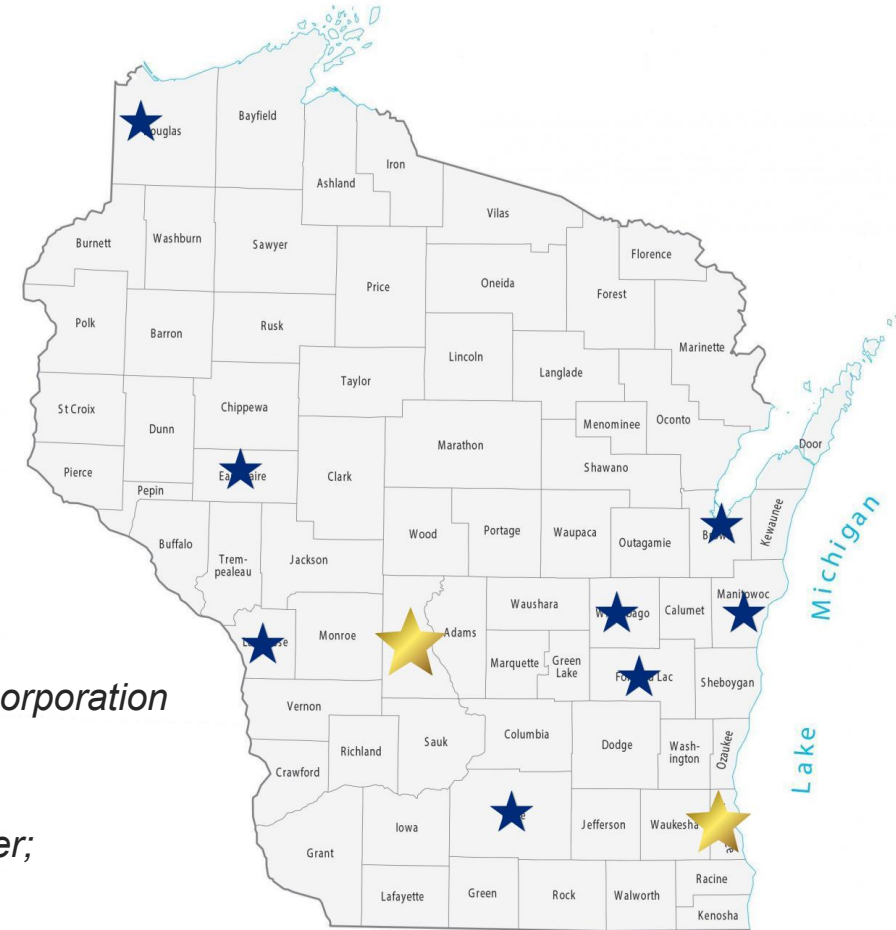
- *Progress Lakeshore*

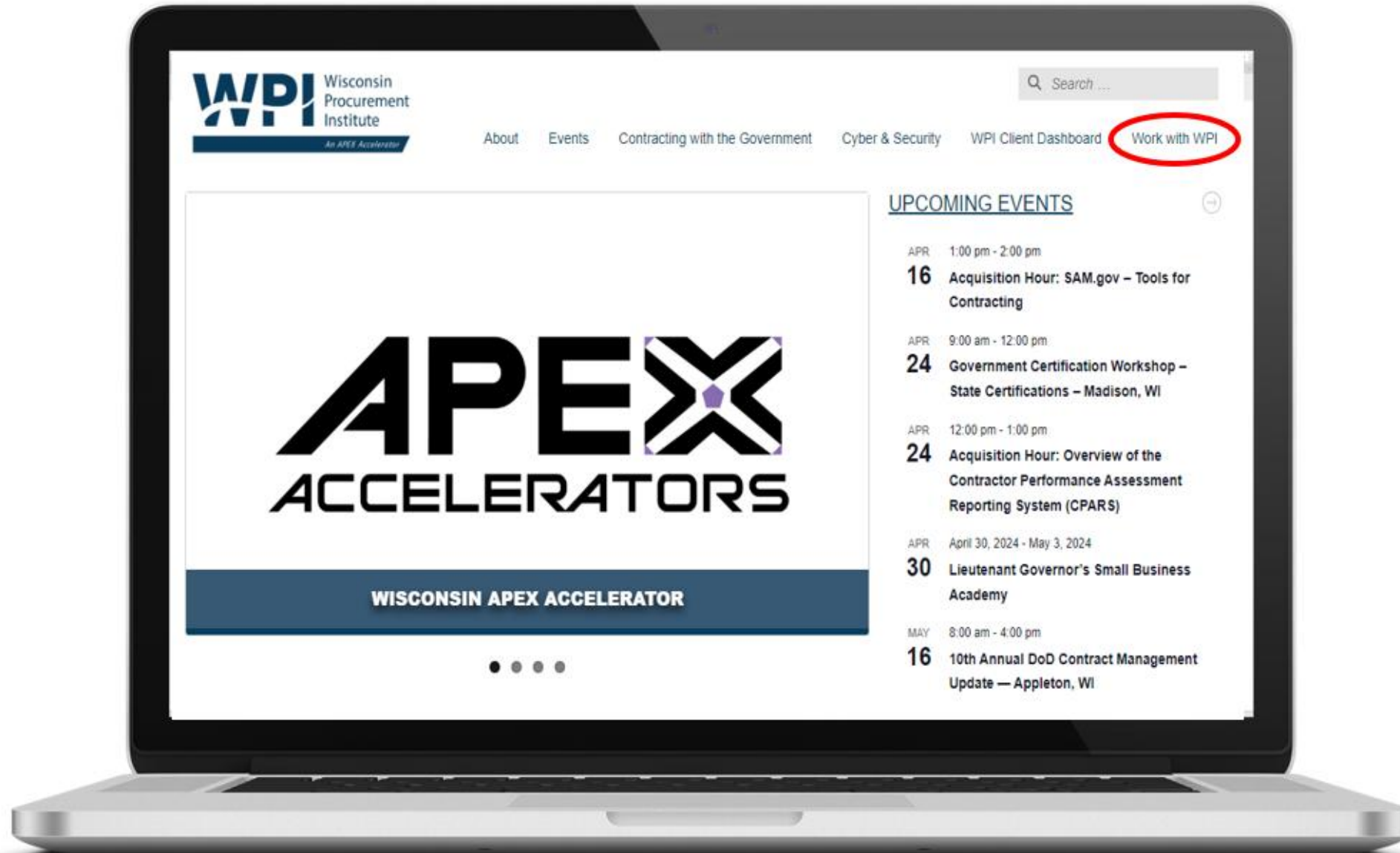
- **OSHKOSH**

- *Greater Oshkosh
Economic Development Corporation*

- **SUPERIOR**

- *Small Business Dev Center;
UW Superior*





Update on SBIR – STTR

Marc N. Violante

Wisconsin Procurement Institute

June 17, 2026

Today's topic

- SBIR/STTR is the federal government's front door for small businesses with innovative ideas—offering non dilutive R&D funding, a clear path to larger awards, and the ability to keep your intellectual property.

Today's Agenda

- Federal R&D Snapshot
- Program purpose and overview
- Participating agencies & funding models
- Program structure (Phases I–III)
- Eligibility and “small business” definitions
- Commercialization emphasis (reauthorization update)
- FOCl / foreign risk compliance
- Registrations & application process
- Rolling calendar / how to track opportunities
- Q&A

Federal R&D (PSC “A”) FY 25

PSC Code	Title									
AC13	National Defense R&D Services; Department of Defense – Military; Experimental Development									
AC32	National Defense R&D Services; Department of Defense – Military; Advanced Development									
AZ11	R&D Other; Research (Basic Research)									
AC12	National Defense R&D Services; Department of Defense – Military; Applied Research									
AC24	National Defense R&D Services; Department of Defense – Military; Operational Systems Development									
AC33	National Defense R&D Services; Department of Defense – Military; Advanced Development									
AR11	R&D Other; Research (Basic Research)									
AR12	R&D Other; Applied Research									
AC22	National Defense R&D Services; Department of Defense – Military; Applied Research									
AC11	National Defense R&D Services; Department of Defense – Military; Basic Research									

Row Labels	Sum of Number of Actions	Sum of Dollars Obligated
AC13	6,525	\$8,563,924,827.58
AC32	8,558	\$6,435,257,297.39
AZ11	234	\$3,689,082,086.04
AC12	6,665	\$3,428,520,363.51
AC24	479	\$2,814,444,612.96
AC33	1,811	\$2,689,827,488.82
AR11	950	\$2,059,386,783.39
AR12	1,373	\$1,968,590,925.95
AC22	657	\$1,697,932,919.61
AC11	1,690	\$1,617,099,347.03
AR22	1,355	\$1,612,417,871.37
AR15	347	\$1,390,691,516.47
AC15	684	\$1,372,997,900.87
AN12	1,859	\$1,368,134,174.16
AJ12	2,389	\$1,292,334,230.90
AC23	885	\$1,262,022,369.16

R&D by Agency

Row Labels	Sum of Number of Actions	Sum of Dollars Obligated
DEPT OF THE AIR FORCE	14,629	\$14,750,699,269.88
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	7,533	\$10,210,517,180.81
DEPT OF THE NAVY	10,822	\$9,429,092,948.26
DEPT OF THE ARMY	6,969	\$6,121,314,048.25
ENERGY, DEPARTMENT OF	177	\$4,036,120,589.03
MISSILE DEFENSE AGENCY (MDA)	1,857	\$3,550,598,464.48
NATIONAL INSTITUTES OF HEALTH	2,486	\$1,521,990,256.08
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY (DARPA)	1,392	\$1,277,239,671.07
FEDERAL ACQUISITION SERVICE	851	\$1,086,473,044.95
DEFENSE MICROELECTRONICS ACTIVITY (DMEA)	346	\$1,053,247,283.60
ADMINISTRATION FOR STRATEGIC PREPAREDNESS AND RESPONSE	551	\$994,242,266.70
FEDERAL AVIATION ADMINISTRATION	367	\$541,256,335.11
WASHINGTON HEADQUARTERS SERVICES (WHS)	206	\$461,375,759.22
DEFENSE THREAT REDUCTION AGENCY (DTRA)	630	\$313,444,222.31
DEFENSE HEALTH AGENCY (DHA)	858	\$274,728,592.92
CENTERS FOR MEDICARE AND MEDICAID SERVICES	252	\$241,598,783.62

R&D Opportunities partial

- There are many alternatives to the SBIR/STTR program
- OTAs – consortiums
- BAA – Broad Agency Announcements
- SAM notices
- CSOs – Commercial Solutions Opening
 - a streamlined competitive acquisition procedure used by federal agencies to procure innovative commercial products and services.
- DARPA notices
- Tradewinds - <https://www.tradewindai.com/>

Reauthorization

- Former authorization expired – SEP 30, 2025
- Reauthorized on April 13, 2026
- Current authorization effective for 5 years
- Current authorization expires September 30, 2031
 - Full details available at:
 - <https://www.congress.gov/bill/119th-congress/senate-bill/3971>

Key ideas – definitions to know

- SBIR/STTR
- Small Business
- Research and Development
- Aligns with Agency needs – Topics
- Commercialization
- Color of money (why it matters)
- Who is your customer

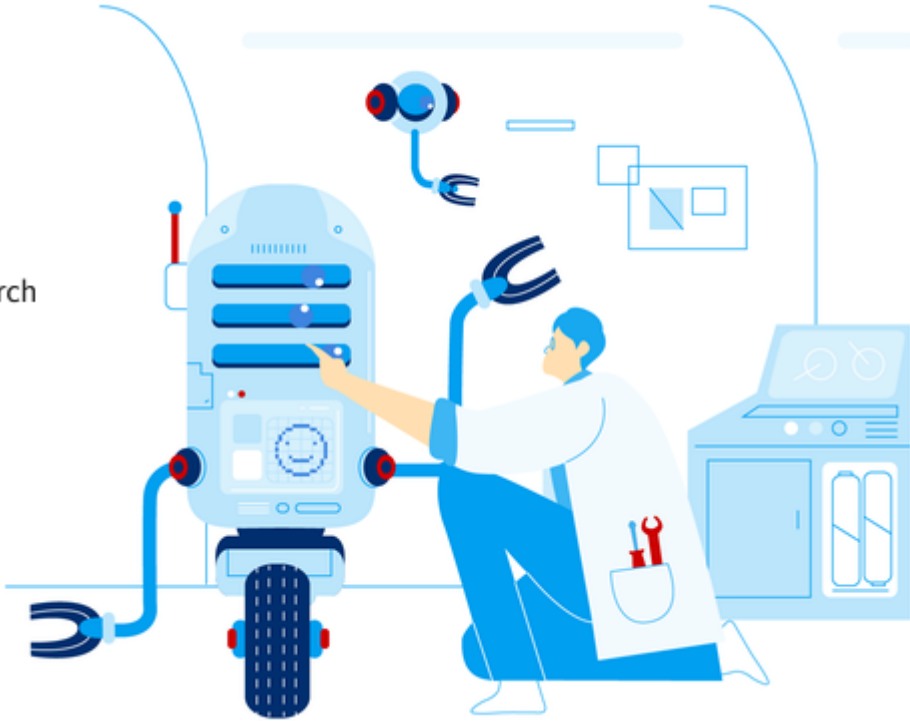
SBIR/STTR

America's Seed Fund

Powered by the Small Business Administration

Federal innovation, scientific achievement, and entrepreneurship through small business innovation and research. Through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, America's Seed Fund awards non-dilutive funding to develop your technology and chart a path toward commercialization. The federal government invests in your solution and gives you the freedom to run your business according to your vision.

[Learn More](https://www.sbir.gov/)



<https://www.sbir.gov/>

Change the World



4,000

Average number of companies
funded per year



\$4 Billion

Funds invested each year



0%

Equity or IP ownership taken by
the government

General - pathway

Participating in America's Seed Fund happens in three phases.



<https://www.sbir.gov/>

SBIR v. STTR

- SBIR: Small business performs majority of R&D
- STTR: Requires formal partnership with research institution
- Both programs: Competitive, non-dilutive funding, IP ownership
- Focus on innovation + **COMMERCIALIZATION!!!!!!!!!!**

Purpose

SBIR/STTR

- Stimulate technological innovation.
- Meet Federal research and development needs.
- Foster and encourage participation in innovation and entrepreneurship by emerging and undercapitalized SBCs.
- Increase private-sector commercialization of innovations derived from Federal research and development funding.

In addition, the STTR program aims to:

- Foster technology transfer through cooperative R&D between small businesses and research institutions.

<https://www.sbir.gov/impact>

Commercialization

- Research is not the goal!
- Research is not the goal!!
- !!!
- Commercialization is the goal
 - Transforming research into a viable product
- Commercialization is not an afterthought
- Begins with the idea and submission – Phase I
- Refined – Phase II

Performance Benchmark Requirements

- Companies with multiple SBIR/STTR awards must meet minimum performance benchmark requirements to be eligible to apply for a new Phase I or Direct-to-Phase II award.
- The purpose of these benchmarks is to ensure that Phase I applicants that have won multiple prior SBIR/STTR awards are progressing towards commercialization.

<https://www.sbir.gov/performance-benchmarks>

Color of Money

- SBIR/STTR designated funds Phase I & Phase II
- SBIR/STTR funds cannot be used for Phase III
- An Agency's acquisition funds can be used
- Alternatively commercial, non-federal funds can be used

SBIR/STTR Ecosystem



Support Organizations

Accelerators, technical assistance centers, and other support organizations around the country help startups identify and apply for awards.

Find Local Assistance



Federal Agencies

Participating agencies' SBIR/STTR programs select and fund qualified proposals.

Explore Participating Agencies



Entrepreneurs

Entrepreneurs apply for awards and develop their ideas hands-on with agencies.

Learn How to Apply

<https://www.sbir.gov/about>

Fundamental Requirements

- For-profit US Business
- Small Business - < 500 employees
 - Note: this is different from federal contracting requirements
 - Majority US owned
- Perform required share of work
- Registered in SAM – Active, current, correct and up to date
- Registered SBA SBIR portal
- Register DoD SBIR portal*
- Determine – SBIR/STTR

R&D not Acquisition

- Offering products, solutions and/or services do not qualify as R&D
- The SBIR/STTR program is not an acquisition program.
- SAM.gov is the GPE (Government Portal of Entry) for Acquisitions
- Micro purchases may be used
- GSA schedules and DoD email are also sources

R&D Characteristics

- Novel
- Creative
- Uncertain
- Systematic
- Transferable and/or reproducible

<https://www.acquisition.gov/sites/default/files/manual/PSC%20Manual%20April%202025.pdf>; page 8

R&D Characteristics in brief

- Novel: projects that advance current knowledge or create new knowledge
- Creative: projects focused on original concepts and hypotheses
- Uncertain: project outcomes are unable to be completely determined at the outset
- Systematic: projects are planned and budgeted
- Transferable/Reproducible: project methodology and results are transferable/reproducible to other situations and locations

Definitions of Research and Development: An Annotated Compilation of Official Sources; page 22 & 23 -URL: nces.nsf.gov

DARPA – Heilmeier Catechism

- What are you trying to do? Articulate your objectives using absolutely no jargon.
- How is it done today, and what are the limits of current practice?
- What is new in your approach and why do you think it will be successful?
- Who cares? If you are successful, what difference will it make?
- What are the risks?
- How much will it cost?
- How long will it take?
- What are the mid-term and final “exams” to check for success?

Additional information on using the “catechism” to create a 1 pager from Stanford.

- <https://techtransferfordefense.stanford.edu/creating-impactful-one-pagers-using-heilmeier-catechism>

<https://www.darpa.mil/about/heilmeier-catechism>

Solicitations – program opportunities

- Request for Proposals (RFP)
 - Funding Opportunity Announcement (FOA)
 - Broad Agency Announcement (BAA)
 - Topic/Solicitation.
-
- No matter what it's called, they outline specific rules and guidance on how to prepare a response, also called an application or a proposal.

<https://www.sbir.gov/topics>

Participating Agencies

SBIR

- Department of Agriculture
- Department of Commerce - National Institute of Standards and Technology
- Department of Commerce - National Oceanic and Atmospheric Administration
- Department of Defense
- Department of Education
- Department of Energy
- Department of Health and Human Services
- Department of Homeland Security
- Department of Transportation
- Environmental Protection Agency
- National Aeronautics and Space Administration
- National Science Foundation

STTR

- Department of Agriculture
- Department of Defense
- Department of Energy
- Department of Health and Human Services
- National Aeronautics and Space Administration
- National Science Foundation

<https://www.sbir.gov/faq>

Agency FAQ links

- [Department of Agriculture](#)
- Department of Commerce
 - [National Institute of Standards and Technology](#)
 - [National Oceanic and Atmospheric Administration](#)
- [Department of Defense](#)
- [Department of Education](#)
- [Department of Energy](#)
- [Department of Health & Human Services](#)
- [Department of Homeland Security](#)
- [Department of Transportation](#)
- [Environmental Protection Agency](#)
- [National Aeronautics and Space Administration](#)
- [National Science Foundation](#)

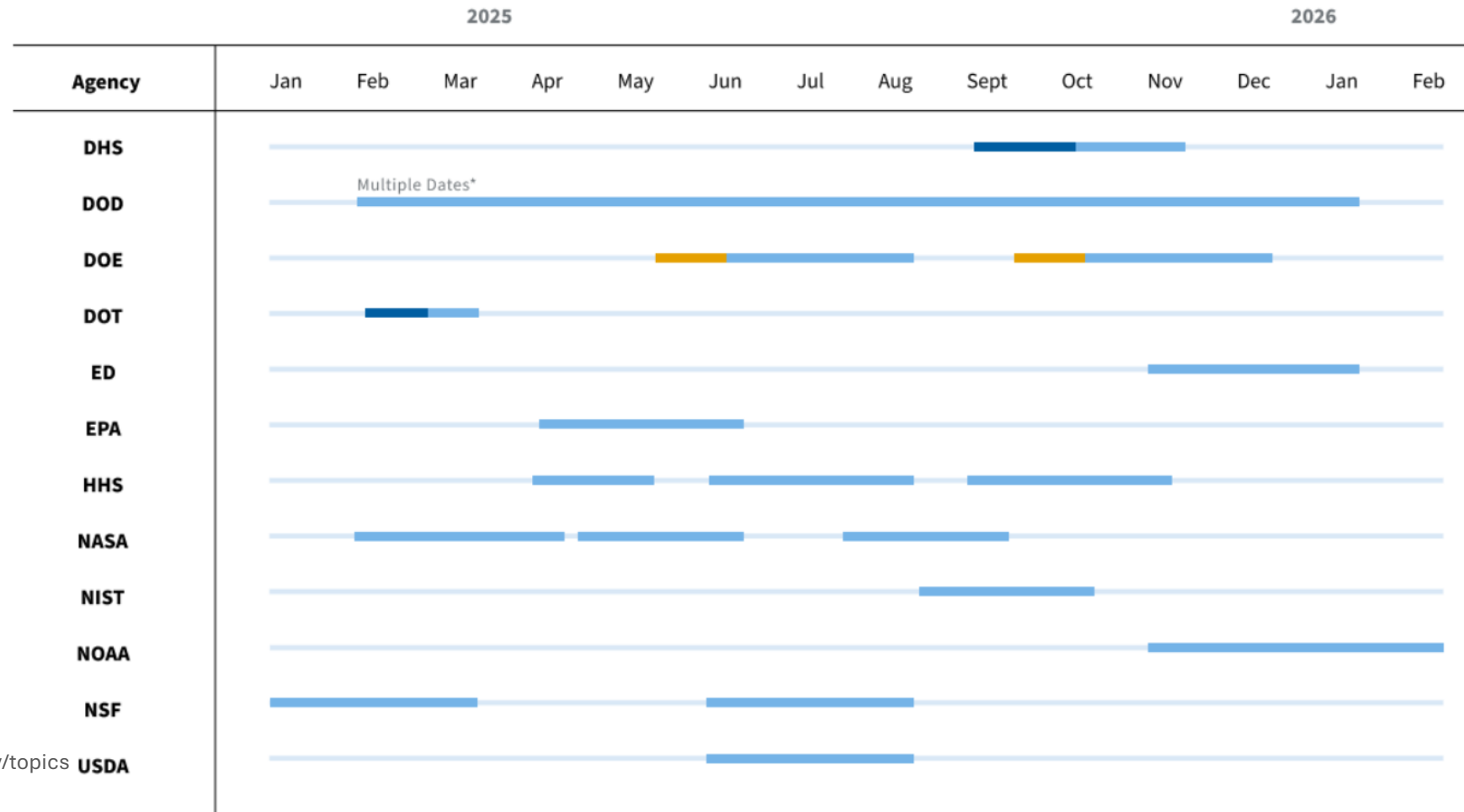
<https://www.sbir.gov/faq/agency-faq-links>

Two paths –

- FAR Based contracts
- Grants
 - Note: Grants normally don't allow for profit. SBIR grants do.
 - Profit must be requested as a line item.
- The regulations, requirements, [shalls and musts] are critical.
 - Not knowing them could cost money.

Funding Planner

● Open Period
 ● Pre-Release
 ● Topic Release



<https://www.sbir.gov/topics>

Program Phases

- Phase I – Feasibility
- Phase II – Development (advances Phase I efforts)
- Phase III – Commercialization (either Phase 1 or Phase 2)

<https://www.everycrsreport.com/reports/R48629.html>

NSF – Project Pitch

- Applying for NSF grant money starts with technology fit and the Project Pitch
- Startups or entrepreneurs submitting a Project Pitch will learn if their technological innovation fulfills NSF SBIR/STTR program requirements.
- The Technology Innovation. (Up to 3500 characters)
- The Technical Objectives and Challenges. (Up to 3500 characters)
- The Market Opportunity. (Up to 1750 characters)
- The Company and Team. (Up to 1750 characters)

<https://seedfund.nsf.gov/apply/project-pitch/>

Direct to Phase II (D2P2)

- Open Topic SBIR Direct to Phase II (D2P2) topics are a component of the broader SBIR program designed to streamline the innovation process for qualified small businesses. Unlike the traditional SBIR path, which typically starts with a Phase I study (feasibility and proof-of-concept), the D2P2 allows small businesses to skip Phase I and instead move to apply directly for Phase II funding. D2P2 Proposals require a Customer Memorandum signed by a DAF or Joint customer and end-user. In most cases, the D2P2 opportunities do not apply to Phase I awardees, who should instead be looking to apply for traditional, Follow-on Phase II funding after completion of their Phase I.

<https://afwerx.com/contact-faq/what-is-direct-to-phase-ii-d2p2/>

Pitfalls

- Waiting too long for registrations (SAM, SBIR, STTR partnership)
- Sound knowledge of requirements
 - Profit (fee) – “you have to ask for it in your cost proposal.”
- Poor alignment with agency mission
- Weak commercialization plan
- Ignoring foreign affiliation disclosures
- “I have a solution” – this is not a procurement mechanism
- Accounting System readiness – maybe Phase 1; most probably Phase 2

<https://www.sbir.gov/tutorials/accounting-finance/tutorial-1#>

How much profit should I ask for?

- Answer: First, realize that most SBIR/STTR agencies don't call it "profit," but instead use the term "fee" (and NSF sometimes calls it "residual funds"). All agencies are required, by law to allow you a "reasonable" profit/fee on your SBIR/STTR project, **but you have to ask for it in your cost proposal**. The range is typically 7 to 11%. However, with the various budget constraints that have been experienced over the past several years, today the most commonly accepted fee is 7% .

A Common mistake

- A common mistake is to not ask for the maximum profit/fee, but just ask for a “gap filler” amount between your combined direct and indirect costs, and the total amount the agency will consider.
- For example, let’s say your direct and indirect costs add up to \$145,000, and the agency allows a maximum Phase I request of \$150,000.
- Many applicants, erroneously, just ask for a \$5,000 profit/fee to fill this gap. Instead, ask for 7% profit or fee on your SBIR/STTR cost proposal. And in the budget justification, **don’t elaborate on how you plan to spend it, because it isn’t relevant.**

<https://www.sbir.gov/tutorials/accounting-finance/tutorial-1#>

Mitigation of Foreign Risks

- Access to US R&D
 - espionage, intellectual property theft, direct and indirect investment and financial subsidies, corporate acquisitions, forced technology transfer, and talent recruitment
- Develop Due Diligence program to assess risks
- SBIR/STTR disclosures (8)
 - Various involvements with foreign interests
- AF – deny and remove vice mitigate risks

<https://www.everycrsreport.com/reports/R48629.html#Content>

Upcoming Events



Cyber Thursday

Cyber Friday is a series of one-hour webinars focusing on critical topics for DOD contractors and subcontractors in cyber security, data security, and CMMC. Attendees receive 1 CPE credit for attending.

- June 25 – Cybersecurity Requirements for Non-Department of War Contractors and Suppliers
- July 16 – A Guide to Strong Supporting Documentation
- August 27 – Determining Your Real CMMC Compliance Responsibilities

...More information and registrations at wispro.org/events

Federal Market Insights

Federal Market Insights [FMI] is an informal podcast designed to provide valuable information about the government marketplace for businesses interested in government contracting.

- ~~June 9 – Beyond the Capabilities Statement~~
- ~~June 16 – Defense Production Act for Energy~~
- June 23 – Understanding Military Sealift Command
- June 30 – Issues Facing the DIB

...More information and registrations at wispro.org/events

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1 CPE credit**

**To receive a certificate of completion, contact
apexaccelerator@wispro.org**

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