

September 28, 2012

## SBIR Alerting Service

The SBIR Alerting Service is a free service that provides bi-weekly notification of SBIR and STTR solicitation announcements, news and information, and Internet resources relevant to the SBIR/STTR programs. This service is provided by the [Economic Development Office](#) of [Pacific Northwest National Laboratory](#) (PNNL).

Back issues of the SBIR Alert are available at [www.pnnl.gov/edo/opportunities/sbir.stm](http://www.pnnl.gov/edo/opportunities/sbir.stm). Subscription instructions appear at the end of this newsletter.

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### >> SBIR/STTR NEWS AND INFORMATION

#### **SBA SBIR and STTR Policy Directives Public Comment Period Deadline Reminder**

The Small Business Administration (SBA) published SBIR and STTR policy directives in the Federal Register on August 6th, 2012, and has encouraged public comments, which will be accepted through October 4, 2012.

The Federal Register links to the policy directives are available below:

[Small Business Innovation Research Program Policy Directive \(SBIR\)](#)  
[Small Business Technology Transfer Program Policy Directive \(STTR\)](#)

You may submit your comments at the [Federal eRulemaking Portal](#). Follow the instructions for submitting comments using RIN: 3245-AF84 for SBIR comments and RIN: 3245-AF45 for STTR comments.

If you have not done so already, you can find out more about the publication of the policy directives by reading the [blog post by Sean Greene](#), the Associate Administrator for Investment and Special Advisor for Innovation at the U.S. Small Business Administration; reviewing an SBA summary of [Key Changes](#) and a list of [Frequently Asked Questions \(FAQs\)](#).

#### **SBIR Program Policy Directive Tool**

Another resource that may be useful in understanding the details of the SBA Policy Directive is available on the SBIR Gateway website at [www.zyn.com/sbir/PD/sb12/](http://www.zyn.com/sbir/PD/sb12/). This page offers the ability to browse the text of the Directive in html format via links to each section; search by keyword(s); and/or download the entire document in pdf format. The site also includes a listing of summaries and explanations for each section; a link to a list of hot

topics; and guidance for how to submit comments.

### **DoD SBIR 2013.1 and STTR 2013.A Solicitation Dates Posted**

The Department of Defense (DoD) 2012.3 SBIR and 2012.B STTR program solicitations closed on September 26, 2012, however, the the availability of a new round of solicitations are just around the corner. The Navy SBIR/STTR website ([www.navysbir.com](http://www.navysbir.com)) recently posted a schedule of FY-2013 SBIR/STTR solicitations which indicate a pre-release date of November 16, 2012 for the 2013.1 SBIR solicitation, and January 25, 2013 for the 2013.A STTR solicitation.

The Navy SBIR/STTR website also includes a searchable awards database, an extensive FAQ page, a link the Navy Transition Assistance Program (TAP), and profiles of Navy SBIR/STTR Success Stories, all of which may be useful resources to help you develop a proposal to submit to the DoD (or other agencies).

### **NASA 2012 SBIR and STTR Solicitations Now Open**

The National Aeronautics and Space Administration (NASA) began accepting proposals in response to their 2012 SBIR and STTR solicitations on September 17, 2012. Proposals are due November 29th, 2012

The home page of the NASA SBIR/STTR website ([sbir.nasa.gov](http://sbir.nasa.gov)) includes the following notice:

The NASA SBIR/STTR Program has two programmatic solicitations being released simultaneously in 2012, with Phase I awards to be funded in Fiscal Year 2013.

First is the General SBIR/STTR Solicitation with a total of 20 Topics and 75 Subtopics in the SBIR Program, and a total of 13 Topics and 20 Subtopics in the STTR Program. The award sizes associated with these 75 Subtopics in SBIR and 20 Subtopics in STTR are \$125,000 for Phase I and \$750,000 for Phase II.

Second is the Select SBIR Solicitation, which is a new initiative this year, with a total of 7 "Select Topics" and is applicable to NASA's Select SBIR Program only. The award sizes associated with these 7 Subtopics are \$200,000 for Phase I and \$1,500,000 for Phase II.

These two solicitations share a common open period and proposals to both will utilize the NASA SBIR/STTR Electronic Handbook. They are otherwise separate and distinct solicitations, requesting proposals for different technologies, and each having different objectives associated with the levels of funding.

The *SBIR/STTR 2012 Phase I Solicitations* are available to view in HTML format, and download in WORD and PDF format at [sbir.gsfc.nasa.gov/SBIR/sbirsttr2012/solicitation/index.html](http://sbir.gsfc.nasa.gov/SBIR/sbirsttr2012/solicitation/index.html). If you have previously participated in the NASA SBIR program, it is advisable to review the page of '2012 SBIR/STTR Solicitation Noteworthy Changes', which appears before the table of contents.

The *SBIR Select 2012 Program Solicitation* is available to view in HTML format, and download in WORD and PDF format at [sbir.gsfc.nasa.gov/SBIR/sbirselect2012/solicitation/index.html](http://sbir.gsfc.nasa.gov/SBIR/sbirselect2012/solicitation/index.html).

Questions regarding the solicitations and/or the NASA SBIR/STTR program in general, may be sent to [SBIR@reisisys.com](mailto:SBIR@reisisys.com).

## **SBIR Proposal Writing Tip: Indirect Cost Warning**

The following proposal writing tip was provided by Gail & Jim Greenwood. Past SBIR proposal writing articles written by the Greenwoods are available on the Greenwood Consulting Group, Inc. (GCGI) web site at [www.gjgreenwood.com](http://www.gjgreenwood.com).

*SBIR Proposal Writing Basics: Reducing Your Indirect Costs by Serving Jail Time*  
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So you are putting the finishing touches on your Phase 1 SBIR/STTR proposal, and finalizing the cost proposal. You have some idea what they mean by "indirect cost" on the cost proposal page, and have estimated your rate, which includes some interest you have had to pay on a business loan. You submit the proposal, get the award, and do the project. Everything is happening as it should, right?

Well, there's one small problem. You may have just committed fraud, and if it is found out by "the authorities" within the Federal government, you could be facing legal action—you know, hiring a lawyer, defending yourself, pleading guilty to a reduced charge, paying fines, maybe serving time.

What the heck are we talking about? We're talking about the emerging new world of the government's aggressive campaign to rid the SBIR/STTR program of fraud, waste and abuse (FWA). You unknowingly included interest expense in your indirect rate, because you didn't know that interest is an unallowable cost per the Federal Acquisition Regulations (FAR). You naively assumed that, because you can deduct interest expense on your business taxes, that you could include it in your indirect rate calculation. You were **WRONG**. And now you could be facing a fraud charge.

How is this possible? Well, first the SBIR/STTR Reauthorization has an unfortunate tone of FWA that encourages the agencies to find small companies doing something wrong and then penalizing them for it. Sadly, nothing is said in the FWA language about helping educate small firms so they won't make mistakes, and there's no distinction made between intentional wrongdoings, innocent mistakes made out of ignorance, or differences of opinion between you and "the government" in the many gray areas in Federal procurement.

Fortunately, we have the Small Business Administration (SBA), which is "an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns..." ([www.sba.gov/about-sba-services/what-we-do](http://www.sba.gov/about-sba-services/what-we-do)). SBA is required to take the aforementioned Reauthorization legislation and create policies and other guidance for the SBIR/STTR agencies to implement the Reauthorization requirements. Surely, you think, SBA will recognize the limited knowledge that most small businesses have of the thousands of Federal procurement rules and regulations, and temper the FWA tone of the legislation. Once again, you are **WRONG**. SBA has issued policy direction for agencies to implement the SBIR Reauthorization changes. It states in Section 9(f) that "Examples of fraud, waste and abuse relating to the SBIR program include...failure to comply with applicable federal cost principles governing an award..." So our friends at SBA, who are supposed to be helping small businesses, are defining FWA to include probably the most common mistake made out of ignorance by SBIR/STTR companies, namely not following reams and reams of budget-related Federal procurement rules.

There are two lessons to be learned from this unfortunate situation.

First, do not assume that you can do a sloppy job of your SBIR/STTR cost proposal. In the good old days (like last year), Phase 1 cost proposals weren't scrutinized very much and innocent mistakes didn't matter so much—we don't think that will be true going forward, for the reasons discussed above. You may want to get training and/or professional help with your government accounting. If you do the latter, make sure you hire an accountant who knows government accounting, and the nuances related to the agency(ies) to which you are applying—not all accountants know this stuff, or only know what NIH expects but don't know that DOD expects different things, for example.

Second, if you want to voice an opinion about SBA's position on FWA as it applies to SBIR/STTR cost proposals, then you have until next Friday, October 4, 2012 to voice your opinion. Go to [www.federalregister.gov:443/articles/2012/08/06/2012-18119/small-business-innovation-research-program-policy-directive](http://www.federalregister.gov:443/articles/2012/08/06/2012-18119/small-business-innovation-research-program-policy-directive) where you will see the SBIR policy directive (again, section 9(f) is the one we reference above). Note the green box on the right side of the first page: click on it to submit a comment to SBA as they consider making amendments to the policy directive.

The SBIR/STTR world always changes when the programs are reauthorized. Unfortunately, this reauthorization has some very negative provisions, like the FWA section, that are going to make SBIR/STTR proposers' and recipients' lives more difficult. Realize this is going on, prepare for it, and even consider expressing your disapproval within the next 7 days that the SBA is piling on rather than standing up for small business.

*Gail and Jim Greenwood may be reached at the following address:*

Greenwood Consulting Group, Inc.  
1150 Junonia  
Sanibel, FL 33957  
(239) 395-9446 (voice & fax)  
[gail-jim@g-jgreenwood.com](mailto:gail-jim@g-jgreenwood.com)

## >> CONFERENCES AND WORKSHOPS

### National

*2012 National SBIR and STTR Conference* – Portland, Oregon, November 13-15, 2012. The Micro-enterprise Inventors Program of Oregon (MIPO) and the Oregon Small Business Development Center Network (OSBDC) will host the SBIR/STTR 2012 National Conference. The theme "Crack the Code" is designed to promote discovery of the key issues to successful grant applications – creating connections, fostering new opportunities, showcasing diversity, and exploring innovative possibilities for both new and experienced SBIR recipients. Registration and conference information is available at <http://oregonsbir.com/index.html>.

### Regional

*NSF FY-2013 SBIR Phase I Solicitation Webinar* -- Online, October 3, 2012. A series of webinars will be held to answer questions about the current Phase I solicitation (NSF 12-605, due date of December 3, 2012) and the submission process. For more information and to join, visit [http://www.nsf.gov/eng/iip/sbir/sbir\\_2013\\_webinar.jsp](http://www.nsf.gov/eng/iip/sbir/sbir_2013_webinar.jsp).

*Funding Your Innovation With Government Money – SBIR/STTR Workshops* -- Tucson, AZ, October 5, 2012. Brought to you by generous support of AzSBDC Network - A Two-Day series of presentations to help Entrepreneurs and Small Business learn about federal funds available for technology-related innovations. Learn which government agencies issue SBIRs, be walked through the registration, writing and submission process and hear success stories. Sept 21 Session 1: SBIR 101 - Overview, Finding Topics, Writing and Budget; Oct 5 Session II: Managing Phase 1 or 2 Awards. For more information or to register, visit [azinnovation.com/index.php/events](http://azinnovation.com/index.php/events), or call (520) 382-3260.

\* *SBIR/STTR Phase I Proposal Preparation Workshop* -- Gainesville, Florida, October 12, 2012. This workshop will help small businesses and entrepreneurs understand SBIR/STTR Phase I funding opportunities and proposal requirements (and post-reauthorization changes). It is designed for newcomers to SBIR/STTR as well as those who are more experienced with the process but want to sharpen proposal preparation skills and learn how to develop a more competitive proposal. For more information or to register, contact [ksfl@ufl.edu](mailto:ksfl@ufl.edu).

*SBIR/STTR Grant Proposal Course* -- Cal Poly Pomona, CA, October 18, 2012. This event will provide an overview of the SBIR and STTR funding process and helps individuals prepare to write a comprehensive grant

proposal. It will also help individuals understand the SBIR/STTR Phase II grant proposal process and will give participants key tools to use in preparing their proposal. For more information, visit [www.ceu.csupomona.edu/courses/dynamic\\_content/courses/default.aspx?courseid=3170](http://www.ceu.csupomona.edu/courses/dynamic_content/courses/default.aspx?courseid=3170).

\* *SBIR/STTR Phase I Proposal Preparation Workshop* -- Tampa, Florida, October 23, 2012. This workshop will help small businesses and entrepreneurs understand SBIR/STTR Phase I funding opportunities and proposal requirements (and post-reauthorization changes). It is designed for newcomers to SBIR/STTR as well as those who are more experienced with the process but want to sharpen proposal preparation skills and learn how to develop a more competitive proposal. For more information or to register, contact [taswartz@usf.edu](mailto:taswartz@usf.edu).

*2012 National Government Contractors Expo* -- Las Vegas, NV, October 23-24, 2012. This Expo will cover Government Marketing, Government Opportunities, Subcontractor Opportunities, Commercialization Strategies, Cost Proposal Preparation, GAS Disclosures, Contract Close Outs, Exhibit Hall Networking, SBIR and more. For more information, visit [www.govcon-nationalexpo.com](http://www.govcon-nationalexpo.com), or contact 303-800-9115 ext 3 or [info@gov-con.com](mailto:info@gov-con.com).

*SBIR/STTR Proposal Bootcamp* -- Omaha Nebraska, October 31-November 1, 2012. This event will offer insider tips and winning proposal strategies from experts. Includes a personal review of your proposal. Day one focuses on DoD, DoE, USDA and NSF. Day two focuses on NIH. For more information and to register, visit <http://nbdc.unomaha.edu/venture/events.cfm>, or contact Marisol Uribe Rodriguez, SBIR/STTR Technology Commercialization Consultant at (402) 554-6270, or [murodriguez@unomaha.edu](mailto:murodriguez@unomaha.edu).

\* *SBIR/STTR Phase I Proposal Preparation Workshop* -- Orlando, Florida, November 8, 2012. This workshop will help small businesses and entrepreneurs understand SBIR/STTR Phase I funding opportunities and proposal requirements (and post-reauthorization changes). It is designed for newcomers to SBIR/STTR as well as those who are more experienced with the process but want to sharpen proposal preparation skills and learn how to develop a more competitive proposal. For more information or to register, contact [jack@ucf.edu](mailto:jack@ucf.edu).

*Technology Roadmapping Workshop* -- Scottsdale, AZ, November 8, 2012. The SBIR Technology Roadmapping program helps early stage ventures improve their ability to write and win SBIR/STTR proposals. Technology Roadmapping methods can help entrepreneurs to better articulate their technology, product and marketplace positions and strengthen proposal work plans and the venture's commercialization plans. This is accomplished through the same high quality group education, one-on-one coaching and connecting services offered by ASU Venture Catalyst through its SBIR/STTR Workshop. For more information and to register, visit [asuventurecatalyst.org/p/class/VC-Technology\\_Roadmap-1912Aug](http://asuventurecatalyst.org/p/class/VC-Technology_Roadmap-1912Aug).

*SBIR/STTR Phase II Proposal Preparation* -- Portland, Oregon, November 13-15, 2012. This event will take place as part of the National SBIR Conference, and will offer insights and advice on preparing your Phase 2 SBIR/STTR proposal. For more information, visit [www.sbir.gov/events/portland-oregon-will-host-2012-national-small-business-innovation-research-sbir-and-small-bus](http://www.sbir.gov/events/portland-oregon-will-host-2012-national-small-business-innovation-research-sbir-and-small-bus).

*DCAA Compliant Seminar* -- Denver, CO, November 13-14, 2012. This event, designed to help SBIR contractors, will address Government Cost Accounting/DCAA Audits; Indirect Rates-Budget Seminar; Incurred Cost Proposal; and more. Visit [www.gov-con.com](http://www.gov-con.com) or call 303-800-9115 for more information.

*Annual New Jersey SBIR/STTR Conference* -- Newark/Brunswick area, November 28-30, 2012. This event will likely include a Phase 1 proposal preparation workshop on the 28th, a SBIR/STTR cost proposal/government accounting workshop on the 29th, and a Phase 2 proposal prep workshop on the 30th. For more information and online registration visit [www.njsbdc.com/sbir](http://www.njsbdc.com/sbir) beginning 9/15. For additional information, contact [RandyGHarmon@aol.com](mailto:RandyGHarmon@aol.com).

*Strategic Alliances Workshop* -- Scottsdale, AZ, December 11, 2012. The Strategic Alliances Workshop is targeted for SBIR/STTR proposal writers and award winners seeking to build a successful SBIR/STTR alliance. Attendees will hear from, ASU Venture Catalyst entrepreneurial coach, Sharon Ballard, and a group of guest speakers and panelists, including prime contractors, who will discuss an overview of strategic alliances, legal best practices and suggestions, an investors view of strategic alliances, how to build a successful alliance, as

well as university and corporate perspectives of strategic alliances. For more information and to register, visit [asuventurecatalyst.org/p/class/VC-Strategic\\_Alliance-1912Aug](http://asuventurecatalyst.org/p/class/VC-Strategic_Alliance-1912Aug).

\* *Other possible upcoming SBIR training opportunities include:*

*SBIR/STTR workshops -- Santa Fe/Albuquerque, New Mexico area, Spring 2013 (tentative)*

*SBIR/STTR workshops -- Gainesville & Orlando, Florida, Spring 2013 (tentative)*

\* **Greenwood Consulting Group, Inc.** will provide training at these workshops. Any attendee of one of these workshops is entitled to a free critique of his or her draft SBIR or STTR proposal. If you have questions, contact Gail or Jim Greenwood at (239) 395-9446 (voice & fax) or [gail-jim@g-jgreenwood.com](mailto:gail-jim@g-jgreenwood.com), or visit their web site at [www.g-jgreenwood.com](http://www.g-jgreenwood.com).

If you are sponsoring or are aware of SBIR workshops in your area and would like to post an announcement feel free to contact us.

## >> SOLICITATIONS CURRENTLY OPEN

### SBIR

DOE FY 2013 SBIR/STTR Phase I Funding Opportunity Announcement Release 1  
Applications Due October 16, 2012 (Letter of Intent was Due September 4, 2012)  
[science.energy.gov/sbir/funding-opportunities/](http://science.energy.gov/sbir/funding-opportunities/)

PHS 2013-1 SBIR Contract Solicitation  
Due November 13, 2012  
<http://grants.nih.gov/grants/forms.htm#contracts>

NASA SBIR/STTR 2012 Phase I Solicitation  
Due November 29, 2012  
[sbir.nasa.gov](http://sbir.nasa.gov)

NASA Select SBIR 2012 Phase I Solicitation  
Due November 29, 2012  
[sbir.nasa.gov](http://sbir.nasa.gov)

PHS 2012-2 SBIR/STTR Omnibus Solicitation of the NIH, CDC, FDA and ACF  
Due December 5, 2012;  
AIDS and AIDS-related due September 7, 2012, and January 7, 2013  
[grants.nih.gov/grants/funding/sbir.htm](http://grants.nih.gov/grants/funding/sbir.htm)

### STTR

NASA SBIR/STTR 2012 Phase I Solicitation  
Due November 29, 2012  
[sbir.nasa.gov](http://sbir.nasa.gov)

PHS 2012-2 SBIR/STTR Omnibus Solicitation of the NIH, CDC, FDA and ACF  
Due December 5, 2012;  
AIDS and AIDS-related due September 7, 2012, and January 7, 2013  
[grants.nih.gov/grants/funding/sbir.htm](http://grants.nih.gov/grants/funding/sbir.htm)

## Coming Soon

DoD 2013.1 SBIR Solicitation  
Pre-release expected November 16, 2012  
[acq.osd.mil/osbp/sbir/index.shtml](http://acq.osd.mil/osbp/sbir/index.shtml)

DOT FY13.1 SBIR Solicitation  
Expected December 10, 2012  
[www.volpe.dot.gov/sbir](http://www.volpe.dot.gov/sbir)

NSF FY-2013 Phase I SBIR Solicitation  
Solicitation expected to open November 3, 2012 (on the web now)  
[www.nsf.gov/eng/iip/sbir/](http://www.nsf.gov/eng/iip/sbir/)

DOC NIST FY-2013 Phase I SBIR Solicitation  
Expected November 15, 2012  
[www.nist.gov/tpo/sbir/](http://www.nist.gov/tpo/sbir/)

NSF FY-2013 Phase I STTR Solicitation  
LOI due and Solicitation expected to open November 20, 2012 (on the web now)  
[www.nsf.gov/eng/iip/sbir/](http://www.nsf.gov/eng/iip/sbir/)

DoD 2013.A STTR Solicitation  
Pre-release expected January 25, 2013  
[acq.osd.mil/osbp/sbir/index.shtml](http://acq.osd.mil/osbp/sbir/index.shtml)

## >> SBIR/STTR ADDITIONAL RESOURCES

For a listing of and links to participating federal agencies, state/regional SBIR and small business resources, consulting services and more, view the *SBIR/STTR Resources on the Web* file on at visit  
[www.pnnl.gov/edo/opportunities/sbir.stm](http://www.pnnl.gov/edo/opportunities/sbir.stm).

## >> SUBSCRIPTION INSTRUCTIONS

To SUBSCRIBE to the SBIR-Alert mailing list, send an email to [lyris@lyris.pnl.gov](mailto:lyris@lyris.pnl.gov) with the following in the subject line or body of your message (your name is optional):

subscribe sbir-alert first\_name last\_name  
*example: subscribe sbir-alert joe smith*

To UNSUBSCRIBE, send an email to [lyris@lyris.pnl.gov](mailto:lyris@lyris.pnl.gov) with the words "unsubscribe sbir-alert" in the subject line of your message

If you have any comments, suggestions, or would like to submit items for the next issue please contact us:

Richard Fowler - [richard.fowler@pnnl.gov](mailto:richard.fowler@pnnl.gov) - (509) 372-4332  
Gary Spanner - [gary.spanner@pnnl.gov](mailto:gary.spanner@pnnl.gov) - (509) 372-4296