



CROSS-AGENCY TRANSITION TEAM WHITE PAPER

SUBJECT: Small Business Innovative Research & Small Business Technology Transfer Funding

Issue

The NASA FY 2010 Appropriations Bill provides that NASA's Cross-Agency Support Funds (CASX) are limited to a one-year period of availability and will expire on September 30, 2010. This paper addresses the requirements for Small Business Innovative Research (SBIR) & Small Business Technology Transfer (STTR) funding and the guidance should be adhered to by all Centers.

An extensive review of the SBIR/STTR Programs has been conducted. This review included legal requirements, along with relevant financial management, procurement, and program management areas. The programs' funding history was reviewed and a representative sampling of contracts was examined. Other Federal agencies were benchmarked to compare processes and results.

Guidance

The review of the SBIR/STTR Programs has been completed, and NASA's SBIR/STTR contracts have been determined to be severable. Research and development are major factors in the growth and progress of industry and the national economy. The expense of carrying on research and development programs is beyond the means of many small-business concerns, and such concerns may be handicapped in obtaining the benefits of research and development programs conducted at Government expense. In view of this Congress established the SBIR and STTR programs so that assistance may be given to small-business concerns to enable them to undertake and to obtain the benefits of research and development in order to maintain and strengthen the competitive free enterprise system and the national economy. This underlying purpose supports and is consistent with the severable treatment of SBIR/STTR Programs such as NASA's.

Funds for severable contracts may only be obligated for work which is performed during the funding appropriation's period of availability. To the extent that work continues or arises in a subsequent fiscal year, that portion of the contracted work must be funded with an appropriation available when that work is performed.

The Office of the Chief Technologist, Office of Procurement, and Center financial organizations should review their current SBIR/STTR contracts and funding profiles to ensure that they are appropriately structured and funded as severable contracts, while strengthening performance requirements consistent with a severable funding profile and the overall SBIR/STTR program objectives.

Special Note: Although these white papers provide general guidance on the application of the Bona Fide Needs rule to common situations, you should still review your specific circumstances with local procurement, finance, and legal specialists. GAO has repeatedly emphasized that what constitutes a bona fide need of a particular fiscal year depends largely on the facts and circumstances of each particular case. Also note that while this guidance was developed to address the issues arising from the change to a one-year appropriation for CAS, it is also applicable to other expiring appropriations.