



After the Award #2

Read the award notice. Carefully.

After the excitement of receiving your award settles down, be sure to read the award notice or contract carefully. Then do it again.

Government grant awards might seem like free money, but they do come with some strings attached. Those strings are determined by the Code of Federal Regulations (CFR) 48 CFR subpart 31.2, and/or Defense Finance Accounting Service (DFAS).

Make sure you thoroughly understand what kind of funding agreement you have entered into.

First, confirm start and end dates. Then, make certain you completely understand the terms and conditions of the award. Review the various clauses and restrictions along with the budget and reporting requirements.

Each awarding agency has a different process for providing access to the funds and uses different web portals to request and receive the funds. The contract or award notice will include information that directs how to access the funds. This can have an effect on how you proceed.

Also be aware of the timing for each Phase. Generally there is a funding gap between Phase I and Phase II. Some agencies withhold a portion of the awarded funds until the final report has been filed. That can be a delay of several months or longer. Managing cash to ensure funds are available during this time as well as at the conclusion of the project can be critical to the company bottom line.

Agencies that require a financial audit will include those requirements in the award notice.

Lastly, the award notice will include references to the Uniform Guidelines/Code of Federal Regulations (CFR) and Defense Finance Accounting Service (DFAS). It is easy to gloss over those clauses — but take the time to read them carefully so that you understand any regulations imposed on the company when you accept the award.

According to the SBIR/STTR web site, the government receives a royalty-free license for your innovation's use, reserves the right to require the patent holder to license others in certain limited circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must, under normal circumstances, manufacture it domestically.

In accordance with FAR 52.227-11 Patent Rights – Ownership by the Contractor, SBIR awardees must disclose all subsequent inventions, which means any invention or discovery which is or may be patentable and is conceived or first actually reduced to practice in the performance of the contract.

If you have any questions about post-award management, get in touch with BBCetc at info@bbcetc.com.